

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 21st November 2016

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PORTFOLIO: Councillor Mohammed Sharif
Commissioner for Digital Transformation and Customer Care.

PART I **KEY DECISION**

DIGITAL AND CUSTOMER TRANSFORMATION PROGRAMME

1. Purpose of Report

This report has been produced to bring together and inform Members of key elements of the work of the Digital Transformation Define Phase that was completed between January and September 2016 (the full programme aims to achieve several outcomes, many but not all of which are covered in this paper (see Section 5.15)). It represents key elements of the case for change for Slough Borough Council to truly align with customer¹ needs, move towards a more commercial model and embrace the digital age in order to maximise customer outcomes and revenue, significantly reduce costs and eliminate waste whilst continuing to meet statutory obligations. The programme is now moving into a Design Phase which will engage the whole Council and needs both support and investment.

2. Recommendation(s)/Proposed Action

The Cabinet is requested to resolve that Officers be instructed (subject to Capital Strategy Board approval) to commence the recruitment of the Programme Team and the Design Phase of the Digital and Customer Transformation Programme at an estimated cost of £625k. This is an invest-to-save bid for pump-prime funding to support delivering the outcomes of the 5-year plan and Revenue savings in the range of 18% to 35%.

¹ In the public sector, the term 'customer' can be divisive as it is usually associated with payment in exchange for products or services. Some organisations use more neutral and inclusive terms such as patient, service user, citizen or stakeholder – none of which has proven to be universally representative and engaging of the ultimate beneficiaries of public services. The term 'customer' is gaining currency though and so we shall use this in SBC. For the purposes of this paper, 'customers' include every person and organisation that consumes the Council and the city's resources either directly or indirectly through their influence: citizens, businesses, voluntary and other organisations, visitors, commuters through, journalists, staff, suppliers and partners of SBC. They also include the customers of our customers, for example those with influential social connections.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

3.1. Slough Joint Wellbeing Strategy Priorities

Customer and digital capabilities are enablers to the achievement of all the priorities and cross-cutting themes in the SJWS.

3.2. Five Year Plan Outcomes

The primary Five Year Plan outcome that the proposal will help to deliver is:

- The Council will be a leading digital transformation organisation.

Apart from digital advancement being an outcome in its own right, it has been identified to varying degrees as a requirement to support attainment of all of the other seven outcomes.

4. Other Implications

(a) Financial

The Programme Team for the Design Phase will cost an estimated £625k over the period December 2016 to June 2017. It is proposed to capitalise these costs, under recent government guidance, as this programme will result in the transformation of services and the achievement of savings. This Design Phase will define that transformation and identify the first tranche of those savings. There will be no revenue costs of this activity.

The Design Phase will also map out the next steps and investment requirements for the first tranche of Implementation Phase activities. The Design Phase will include the procurement of core digital solutions to enable service transformation and in particular channel shift. A separate bid will be made for Capital funding for those digital solutions. These will have revenue implications which will be included in the bid.

The Design Phase will produce a reasonable estimate of the financial benefits which could be delivered by the programme. Given the achievements of other Local Authorities that have embarked on similar programmes, it is conceivable that this could be in the range of 18% to 35% (£18m to £35m of the current £100m Revenue Budget). Some of these savings have already been 'banked' in current business plans – these and additional savings will be identified particularly to ensure there is no double counting. Some of these savings will be in the form of staff reductions delivered through reduction in interim and agency staff, deletion of vacant posts and natural attrition.

Anticipated Benefits

- 4.1. Activities of the programme will help the Council to deliver its strategic, operational and financial targets. The benefits of improved customer experience and outcomes, savings and income will be achieved across the Council².
- 4.2. The key **customer benefits** are improved customer outcome attainment and improved customer experience:
- i) The Council's improved understanding of customers will lead to improved commissioning and service redesign around, and alignment with, customer needs.
 - ii) The Council will draw on the data created through digital transactions to ensure customers receive more personalised and tailored services. In some cases, services may be able to intervene earlier to stop problems escalating.
 - iii) Information about Council services will be easier to access and will be better targeted at people based on an understanding of their interests, needs and situation.
 - iv) Community networks will put people in touch locally, allowing them to support each other, share information and contribute to their community.
 - v) The Council's digital offer will be fully mobile accessible, providing 24/7 access on the move.
 - vi) A new single customer portal will provide radical improvements to how customers access services. The vast majority of service users will report issues and request, book and pay for services online and receive up to the minute alerts about how their transaction is being addressed. This capability will include opportunities for customers to manage their personal

Sidebar 1

Bringing the benefits to life

Adopting the principles and approaches of this programme, the Planning Service is a live example of the benefits it will bring across the whole organisation.

Engagement with customers revealed that current performance is poor and inconsistent.

Customers

Customers often feel frustrated and angry as a result of an application process which is difficult and slow, an absence of information, a lack of communication and inadequate IT systems.

Customer experience will be consistently excellent, with no frustration and anger.

Staff

Staff members are stressed and morale is low because of excessive workloads and negative interactions with customers caused by an inability to recruit, double-keying data entry and frustration at being unable to communicate effectively.

Recruitment won't be a problem, and staff members will 'look forward to Mondays'.

Slough Borough Council and Slough

Poor customer experience is believed to be compromising development and investment in Slough. Non-value-adding activities are resulting in unnecessary Revenue expenditure. This programme will lead to efficiency savings enabling officers to refocus on fee earning activities.

² Sidebar 1 is a local example which brings the benefits to life.

information in a way that ensures they only need to provide information once (including changes in circumstances), and that they have an opportunity to contribute their experience and other relevant contextual information directly into case records.

vii) All services will build in assistance to ensure we do not create access problems that are not apparent currently.

- 4.3. These benefits will be explored further and set in context in a series of 'customer journeys' (an example is provided in Appendix C). These will be developed to provide an indication of what the customer programme could mean for customers in the future by highlighting examples of how key aspects of processes might change (for example through the introduction of online payments or appointments booking, the introduction of risk verified assessments, integration of services, or improvements to multi-agency working across complex families, localities and health).
- 4.4. The programme will also contribute to the '**Open for Business**' agenda – for example, businesses in Slough and surrounding region will benefit (through their online business account) from improved opportunities to manage their business rates or to access regulatory services (including booking inspections or applying for licenses). Our proposed approach to targeting information and supporting community self-support via a special website could also be drawn on, for example to promote peer-to-peer business support or improve the timelines and dissemination of destination marketing or events information.
- 4.5. There are numerous **benefits for the Council** (and its partners / contractors):
- i) Corporate transformation (defining, and enabling our approach to, corporate transformation).
 - ii) Cost avoidance (demand forecasting): Better linking together of data intelligence will provide opportunities to improve decision making, for example by predicting future demand for services. This, in return, will allow the organisation to prepare its response and invest, for example, in staff development or new systems and processes.
 - iii) Cost avoidance (improved customer satisfaction): Improved customer satisfaction will reduce contacts and complaints.
 - iv) Cost avoidance (service and back office process efficiency): Customer journeys will be seamless, reducing transactions, contacts, hand-offs, visits which customers make/receive and other unnecessary actions.
 - v) Cost avoidance (channel shift): Customer engagement will shift to channels that are cheaper to support and run.

- vi) Cost avoidance (reduced service demand): Customers will better understand what we provide, have more realistic expectations and more easily find other service providers.
- vii) Cost avoidance (improved staff satisfaction and productivity): Business processes will be improved, increasing the time spent on value-adding activities (reduced avoidable contacts, administration, and rework).
- viii) Cost avoidance (reduced sickness absence): Staff will be able to work in agile (mobile and flexible) ways and develop a better work-life balance.
- ix) Cost avoidance (reduced estate): Staff will be able to work efficiently and effectively from locations outside the office, thereby reducing demand for Council owned desk and parking space.
- x) Income generation (existing revenue streams): Increased customer satisfaction will result in loyalty and advocacy (which equate to demand).
- xi) Income generation (new revenue streams): Improved understanding of customers will lead to idea generation (identifying new opportunities) and innovation (creating new solutions).
- xii) Continuous improvement (ongoing benefit generation): Fundamental changes in operating model, process, culture and systems will enable the Council to relentlessly evolve and improve the customer experience and continuously derive maximum value from services. New solutions, opening up data, integrating technologies, and replacing more traditional digital communications such as the Intranet and email will make the Council's operation and culture more open and collaborative and facilitate greater self-service and control. Digital assistance will help the workforce adapt to and adopt new digital technologies, increasing the levels of confidence and skills in the Council.

4.6. Metrics will be defined by the programme and data analysis and benchmarking will be undertaken during the programme as and when required.

Anticipated Investment Needs

4.7. At its core, this programme will propose significant investment in a range of improved digital technologies, solutions and associated resource to improve people (skills), processes and policies, and to change culture and behaviours. Together, these investments create new customer and digital capabilities which lead to a series of benefits for customers and the Council.

4.8. The Design Phase requires immediate investment for the Programme Team and arvato resources required – the details are set out in section 5 (Design Phase enablement).

4.9. Detailed cost projections for the Implementation Phase of the programme will be prepared by the Programme Team. A range of variables are likely to be built into the

cost models – these will vary depending on a range of factors that will be identified in the Implementation Plan, for example:

- i) The blend of internal and external resources used.
- ii) Recognition of the demands on internal services from business as usual and other transformational projects.
- iii) The complexity, in practice, of system integrations and associated service redesigns.
- iv) The scope and phasing of the programme (which systems and services are incorporated into the new digital operating model).
- v) The quality of technical solutions acquired and of the design of user interfaces.
- vi) The opportunities within and the impact on our existing contract with arvato.

4.10. We will propose that funding provision be made for the whole Digital and Customer Programme rather than be disaggregated across different technical aspects of the work. This will aid the necessary pace of delivery and acknowledge that the benefits can only be delivered as a set. We must make provision to deliver the whole package of improvements in order to unlock the value of each independent part. In this way, the Council will invest in the delivery of key benefits for customers and staff, and it is against the timely delivery of these benefits that value for money and the overall success of the programme must be judged. Measures will be taken to ensure the programme delivers within the overall agreed funding envelope, and these measures will be the subject of appropriate audit and scrutiny.

4.11. We will propose that investment needs to yield the maximum value for Slough and will ask Officers, whilst taking an appropriate approach to procurement and considering the desired delivery timescales, to ensure every opportunity is taken both to support local and regional businesses and to ensure opportunities are maximised to improve skills and competencies across the Council's workforce in ways that lead to a tangible and lasting improvement in our customer and digital capability as an organisation.

Other financial implications

4.12. Details of these implications will be identified during the Design Phase of the programme, but we anticipate implications most significantly on our arvato contract and possibly on other contracts we may have for IT services.

(b) Risk Management

Risk	Mitigating action	Opportunities
Contract Management – the arvato work programme will need to be altered.	Information Governance Board to engage key stakeholders in re-setting priorities.	Stop initiatives which will be replaced by better initiatives emerging from this programme.
Legal – the current arvato contract cannot be re-negotiated to enable delivery of our ambitions.	Begin exploring opportunities at the start of the Design Phase.	Identify opportunities for solution development which will benefit arvato and the Council.
Employment Issues – the future operating model will have a number of workforce implications primarily related to organisational and job redesign, behaviour and culture change and workforce reductions; details will begin to emerge during the Design Phase which could cause some staff to become unsettled.	Employee engagement will be a key activity of the Design Phase.	Begin mind-set shifts that will be required to deliver the benefits of the programme.
Equalities Issues – solutions could be designed that are not suitable for particular customers.	Appropriate customer representatives will be involved in solution design.	N/A
Communications (customers) – engagement with customers may raise expectations that cannot be met.	Establish contextual messages to manage expectations.	Reduce existing over-expectations.
Financial – double counting of benefits which have already been identified in other Outcome areas.	Develop a benefits framework that refers to all existing business plans.	Identify business plans with under-stated benefits already identified in relation to digital enablement.

Risk	Mitigating action	Opportunities
Financial – the £625k resource requirements for the Design Phase are estimates and have not been tested in the market. It may be that more temporary resources are required and that some of these costs are currently understated.	The Finance team will work closely with the project team to update these requirements and costs as further information is received.	N/A
Financial – there is additional capital investment required, the details have still to be determined but are likely to be £2m plus.	A submission will be made for consideration under the capital programme.	N/A
Timetable for delivery – the programme will be competing for resources as there are many other priorities across the Council.	Engage the PMO in Portfolio Management.	N/A
Project Capacity – arvato are unable to commit the resources required to complete the solutions design in the timescales required.	Engage arvato as a key partner in the programme.	N/A
Project Capacity – IT is unable to recruit Business Analysts (several attempts have already been made).	Restart the recruitment process, adding market supplements.	N/A
Project Capacity – use of internal staff either reduces their performance of 'day jobs' or stops them from engaging in this programme as required.	Cabinet and CMT to set and clarify corporate priorities. Budget to backfill.	Ask staff to think very carefully about their 'day jobs' – evaluating what they do regarding its customer value – and reset their own work accordingly.

(c) Human Rights Act and Other Legal Implications

There are not considered to be any Human Rights Act implications.

(d) Equalities Impact Assessment

An EIA will be done as part of the Design Phase.

5. Supporting Information

SBC needs a customer-led Digital Transformation Programme

- 5.1. Customers are taking control, they are increasingly capable with digital tools, their expectations are increasing, and they want consistent experiences. They don't want to experience the organisational silos and disconnects that can make life so exhausting, they see an organisation as a whole and they also want to be seen as a whole. They want to be understood so that their needs (see sidebar 2) are met and they want their engagements to be easy and their experiences to be enjoyable (where appropriate of course).
- 5.2. Customer-centric organisations enjoy demonstrable benefits including increased customer satisfaction, income growth and reduction in waste. In the social context of local government, customer satisfaction means people have better lives, and in the business context customer satisfaction leads to customer loyalty which means business growth. Of course all organisations seek to reduce waste so that costs are reduced and all resources are used for maximum benefit.
- 5.3. Customer-centric places are places where people and businesses want to be because in those places their needs are met and going about their activities is both easy and enjoyable. In Slough this is both desirable for existing customers and for attracting new customers.
- 5.4. Whilst this seems a very bland way to put it, a summary of all the stated transformation aspirations of SBC is to maximise customer outcomes and revenue and eliminate waste whilst meeting statutory obligations. The way to do this is to achieve a state of perfect alignment between the organisation, our customers and staff³. This state of alignment could be described as a state of hyper customer-centricity. It is a state in which our value proposition (our brand and the products and services we provide) is absolutely

Sidebar 2

Needs vs Wants

In the context of customer alignment, this distinction is not as clear as it may first seem – it is important to understand the distinction.

A 'need' is a must have (essential), and a 'want' is a nice to have (not essential).

To survive, all human beings have basic needs for food and water, shelter and health. Anything else could be considered a 'want'. However, to meet these basic needs, it is essential to fulfil other higher-level needs, such as the need for money (so having more money may be a need, not a want).

Where the achievement of specific other outcomes (not survival-related) is in focus, there will be basic needs which must be fulfilled to achieve those. For example, where the outcome is to have an extended house a basic need will be to have Planning approval.

Depending on circumstances, different customers will have different basic needs to achieve the same outcome. For example, to pay their Council Tax online, customers without Broadband may need Internet access in a local community facility whereas customers with Broadband would not.

³ Sidebar 3 highlights a common objection in the public sector and the reasons why this objection is unfounded. Read more at <https://www.peregrineleadership.com/files/CustomerServiceGovernment.pdf>

clear, we truly understand the needs of our customers in relation to the value proposition, and we focus all of our resources only on those needs.

- 5.5. Customer alignment is not an idea or vague concept, it is a mission; a strategy, mind-set and culture, people and data that generates the most and longest lasting value.

Our customer capability is low

- 5.6. Anecdote suggests that we have lost touch with many of our customers who would benefit from a much better understanding of their needs (which do change over time) and services that are designed and constantly adapted around those needs.

- 5.7. Using a customer capability assessment tool which assesses the nine core building blocks of customer capability, our own light-touch assessment⁴ of our customer capabilities reveals that we have plenty of room for improvement:

- i) *Customer Vision*: Our value proposition is not clear, our brand is not clear and not valued by customers, the desired customer experience is not clear, leadership does not promote the value proposition, and employees are not motivated by it.
- ii) *Customer Strategy*: We do not have a coherent customer strategy which: targets, acquires, develops and retains valuable customers; manages customer expectations and where appropriate signposts customers to partners; customises products, pricing, communication and channels; services customer management and contact; and drives customer capability and infrastructure development.

In the public sector, customers have no choice but to use our services, so why bother?

The short answer:

- Delivering on the needs of customers is why local authorities exist – it's a statutory requirement and morally appropriate;
- A customer-centric whole system model reduces demand on and defers entry into the formal system; and
- A customer-centric model is far more efficient.

Customer-centric public sector organisations demonstrate four strengths:

1. Understand the customer – clarity about who customers are, how they are defined, their interests, needs and behaviours *and what the organisation wants to do for / with them*.
2. Build operations around the customer – ensuring that the basic organisation building blocks (strategy, performance, systems, processes, structure and behaviours) focus on delivering desired customer objectives.
3. Manage stakeholder relationships – making it important to manage relationships openly and communicate effectively.
4. Use customer understanding to deliver target outcomes – exploiting the investment in the areas above to improve performance against objectives and maximise efficiency.

⁴ The Design Phase of this programme will explore our alignment in more detail, evaluating the extent to which this initial analysis is true – establishing our aspiration, current strengths and weaknesses, and the gap we wish to close.

- iii) *Customer Experience*: A basic customer experience is not designed for each customer segment, and where it is, that experience is not delivered consistently across all channels. Customer feedback does not really shape customer experience design and customer perceptions do not match our customer vision.
- iv) *Staff Involvement*: Staff members are not treated like a key customer asset. They are not listened to, without pre-conceptions, to inform customer strategy and commissioning. They are not given a license to redesign ways of working, and are not trusted to be brilliant with customers.
- v) *Organisation Alignment*: Customer focus is not pervasive across the organisation. It is not reflected in the organisation structure and customer-facing processes, not everybody understands their role (who to interact with and how), and customer focus is not extended into the back office and suppliers.
- vi) *Customer Processes*: We are not clear which processes matter most to customers. Our processes do not support our customer strategy and organisation objectives. Processes are fragmented and customer journeys are not seamless (for example, there are lots of handoffs).
- vii) *Customer Information*: Customer information does not drive effective customer interaction. We do not source, maintain and leverage customer information assets. Operational and analytical systems are not or are only loosely integrated. Customer information does not drive more desirable customer relationships.
- viii) *Customer Relationship Management (CRM) Technology*: Technology does not seamlessly enable customer alignment. CRM technology is not integrated across the organisation and supply chain and interfaces do not meet our customer strategy requirements.
- ix) *Customer Metrics*: We do not monitor the effectiveness of our customer strategy. We have not set and do not monitor measurable customer objectives at all levels. Customer metrics are not linked to corporate goals and we do not fine-tune the customer strategy with confidence that we're doing the right things.

5.8. Whilst this does not fully explain our current capability, it is interesting to note that in recent years we have outsourced customer services, losing an in-house function and a senior customer lead.

We are ‘digitally immature’

5.9. There have been significant IT infrastructure and desktop technology improvements delivered by arvato in recent years, but our digital maturity is still low – around 3 or 4 on the European Digital Capability Framework below:

1. Digital is at the heart of policy and strategy. Services are digital by default. Digital culture is strong: agile, user-centred, innovative and responsive.
2. Senior management have made significant progress in delivering the vision and plan, implementing new capability and trialling it successfully by re-engineering a range of services to be digital by default.
3. Senior management in place with a remit to set targets, develop over-arching vision and plan, and develop necessary capability and culture. Digital is seen as a key transformation and advocacy is strong at key parts of the organisation.
4. Some digital services, but often of limited quality. Digital teams in place but tend to be silo'd in business units or service/programme teams and have limited budget and remit. Senior (board level) digital management not in place.
5. No awareness of digital capability, no resources allocated, no digital strategy, plan or metrics, no understanding of best practice, no digital services.

Our customers are ready for digital

- 5.10. Independently provided geo-demographic data has helped us to better understand the residents of Slough and their readiness for adopting digital channels of engagement.
- 5.11. Up to 97% of the adult population can use digital channels, 2% are unwilling or incapable, and 21% will need assistance to move to digital channels⁵.
- 5.12. Whilst this analysis will be done in more detail (in particular to include our own data) in the Design Phase, it is safe to say that Slough residents are definitely ready for a digital SBC.

We need to think and operate differently in order to deliver this transformation

- 5.13. Digital transformation is uniquely challenging. It requires from all key stakeholders, a strong belief in and commitment to a set of guiding principles. It is about transformation and thus encompasses using customer insight to define a vision of the future and fundamentally changing customer journey, business processes, staff capability, culture and behaviour, management systems and infrastructure. It touches every function and business unit. It demands the rapid development of new skills and investments that are very different from business as usual. It requires “hard wiring” digital into the organisation’s structures, processes, systems and incentives. There is no blueprint for

⁵ Further details of this analysis are set out in Appendix A.

success. It includes managing and verifying a multiplicity of digital identities. It carries the threat of heavy fines and public criticism from data breaches.

Progress to-date

5.14. We have agreed a **digital vision**⁶ for Slough and the Council. The vision is of:

Slough, a leading digital city which is visionary, customer-centric, digital, open and collaborative; and

Slough Borough Council, a leading digital council which is visionary, digitally savvy, obsessed with the customer, curious and innovative, digital and enabling, open and collaborative, and mobile and flexible.

- 5.15. We have identified a full **programme** for delivering the vision and defined high-priority elements (visionary, obsessed with the customer, curious and innovative (excluding some data capabilities), and mobile and flexible) which are covered by this paper. As appropriate, separate programmes and projects are being or will be defined for digital city, curious and innovative (data capabilities), digital and enabling, and open and collaborative.
- 5.16. We have agreed **guiding principles** which will steer decision-making, enabling us to stay on track towards achieving the vision. These should now inform departmental and service decision-making when considering all forms of change (digital or otherwise) and should also inform the procurement of contracts for the supply of services by outside organisations.
- 5.17. We have defined a **high-level proposed future operating model with digital building blocks**⁷. Customers are at the heart of the model. We will develop key customer and agile working capabilities to ensure that the model is delivered and future-proofed. Crucially, we will align our organisation and our supplier organisations which provide front-line services, with the needs of customers. This will necessitate changes to the Council's operating model, culture and behaviours.
- 5.18. We have organised the programme around the key outcomes in the vision and identified key tranches of programme activity that will enable us to progressively develop and grow our digital capabilities. Whilst work to define all elements of the programme is progressing, the primary focus at this time is on our customer and mobile and flexible capability – we are now at the end of the Define Phase of the Customer and Mobile and Flexible programmes.
- 5.19. Working with arvato, we have identified the **base digital solutions** (Customer Portal, CRM and customer Business Intelligence tools) which will enable us to make a high impact start to our journey, are supplied by an organisation that will work with us in the right way, and comply with our over-arching digital guiding principles. We have engaged

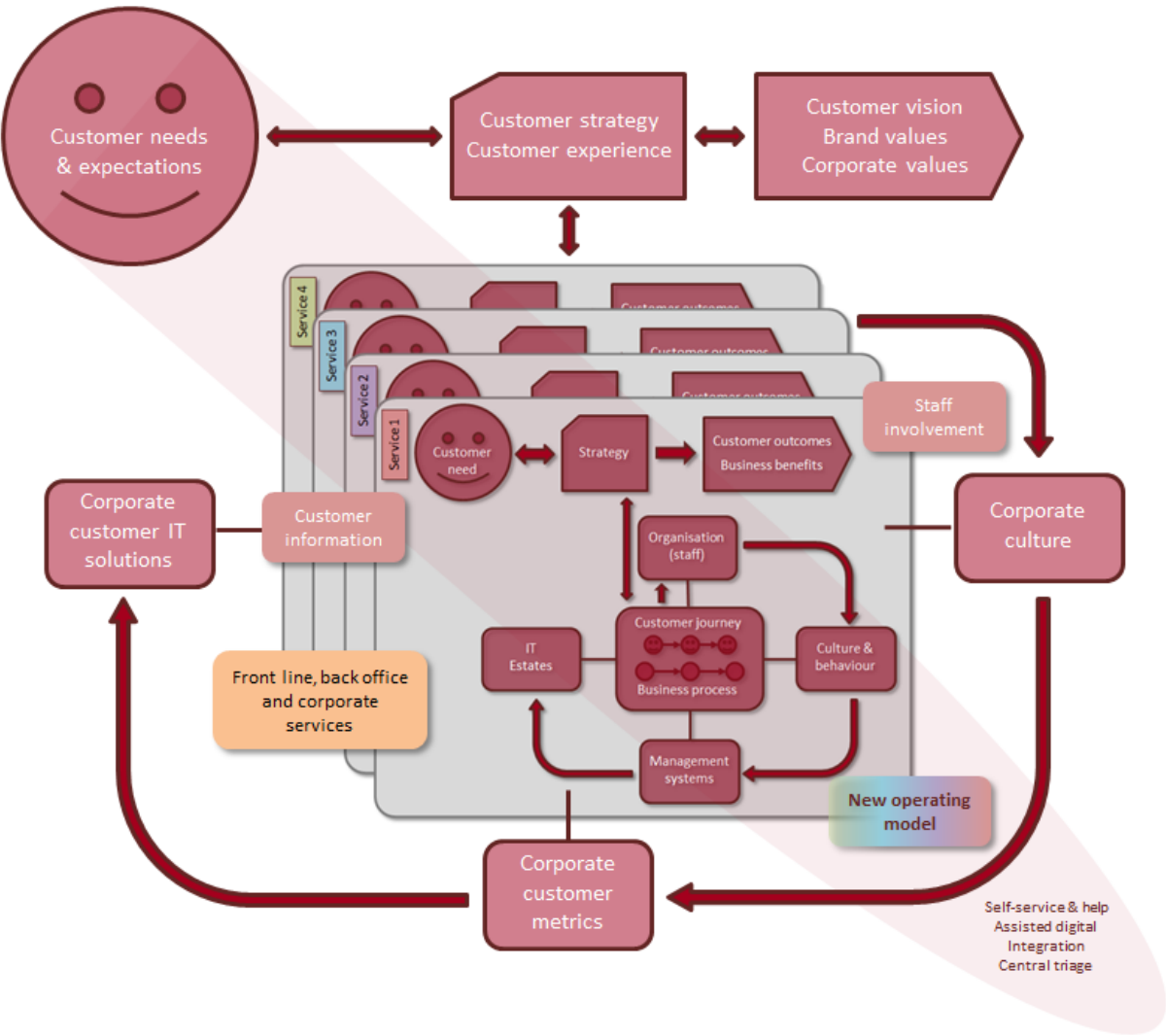
⁶ The full vision statement is set out in Appendix B.

⁷ The proposed customer-centric future operating model with digital solutions is set out in Appendix C.

with the Procurement team and been advised that these solutions can be purchased on our behalf by arvato. It should be noted that although the supplier mentioned above has Website capabilities to deliver our Self Help proposition, we are yet to decide exactly how we'd like to proceed with the Website. There are options which will be evaluated at a later date.

5.20. We have established a **transformation approach** which is depicted in Figure 1. The underlying principle is that we will adopt a top-down and bottom-up approach – at corporate level, understanding customer-needs and expectations regarding the whole Council and developing our corporate customer vision, strategy, culture, metrics and digital solutions which will be fed as a suite of design principles into or enable service specific transformations. At service level we will understand front-line and back-office service-specific customer needs and develop service-level strategies and changes which may include the integration of services across current organisation silos. Staff will be fully involved in the transformation journey.

Figure 1: Transformation approach



Next steps

- 5.21. We are now entering a Design Phase with particular focus on developing our customer and mobile and flexible (agile) working capabilities. The Design Phase will run for a period of 6 months from November 2016⁸. It will comprise the primary activities set out below.
- 5.22. *Establish governance*: We will establish the governance arrangements required for the Design Phase.
- 5.23. *Conduct customer capability assessment*: We will assess our capabilities in respect of the nine customer capabilities described above and establish our aspirations, identify key weaknesses and develop the detailed plans to address those weaknesses. This will inform our customer strategy and our customer capability development.
- 5.24. *Appoint Head of Customer*: We will appoint a Head of Customer who will drive the Customer Programme.
- 5.25. *Understand customers*: We will run a series of customer workshops, and combine Slough data with CACI data to further develop our understanding of the needs of our customers. This analysis will focus primarily on customer needs in relation to digital channels and engagement but will also include customer input to help formulate the target operating model.
- 5.26. *Develop customer vision*: We will analyse branding and transformation work recently completed or currently in progress and run a workshop with members and staff to articulate our customer vision.
- 5.27. *Review services / processes*: We will identify and prioritise services to be incorporated into the CRM and/or digitised. Initially with a focus on transactional processes, this review will support the redesign of transactional processes (customer journeys) by applying digital solutions, automation and organisational change and will inform the design of the target operating model. We anticipate that between 50 and 100 customer journeys will be identified. We will run workshops involving staff in service groups to: identify digital opportunities across a sample of their current customer journeys; and map out as-is and to-be customer journeys to understand how the opportunities will be realised. These will be used to refine the draft of the target operating model and the identification of digital solutions themes that will be used in digital solution design. We will analyse business processes which support the customer journeys analysed in order to identify and articulate business benefits which will include FTE-linked efficiency savings.
- 5.28. *Complete customer-centric digital business model design*: We will engage with relevant stakeholders to further develop and complete the design of the customer-centric digital business model. This will incorporate the review of services / processes described above, and the concepts of 'enabling, entrepreneurial and digital' as already articulated

⁸ Appendix D depicts the schedule for this phase (including key driver and delivery milestones).

elsewhere and will describe in more detail how the organisation will function and be structured. This will be validated throughout by managers, Heads of Service, Assistant Directors and Strategic Directors.

- 5.29. *Complete customer strategy*: We will complete our customer strategy. This will incorporate the new target operating model and ensure that our business strategy also sets out how we will connect with customers, set expectations and drive loyalty. This will include an element of high-level customer experience design and will have an impact on our corporate values and behaviours which may need to be refreshed.
- 5.30. *Establish high-level customer metric framework*: We will identify the corporate-level customer metrics that will be used to ensure that we deliver the customer strategy.
- 5.31. *Procure core customer portal, Customer Relationship Management (CRM) and customer Business Intelligence (BI) technologies*: We will procure the core suite of technologies that will enable us to begin to implement the customer strategy as soon as possible. Potential solutions have been identified which will give us not only a strong technological foundation but also excellent prospects for advancement and innovation. Note: The corporate website will need to be replaced in order to enable implementation of the customer strategy – it is currently felt that traditional or even the most advanced local authority websites are not the solution for Slough and a separate project will be set up to identify and design the right solution.
- 5.32. *Design mobile and flexible working IT architecture*: We will identify technologies to support mobile and flexible working and design the underpinning IT architecture.
- 5.33. *Design other technology solutions*: We will identify other technology solutions or tools that will be required to support the operations of the core solutions. These will include tools identified in the multichannel digital architecture shown in Appendix E.
- 5.34. *Refresh Data and Information Sharing and Management Policy*: We will refresh this policy in order to ensure that the necessary agreements are in place to immediately make the most of customer data.
- 5.35. *Refresh HR policies*: We will refresh HR policies in order to ensure that we maximise the opportunities for mobile and flexible working.
- 5.36. *Create Deliver Phase Plan*: We will create the detailed plan for the delivery phase. This plan will phase benefit delivery, describe the changes required and set out the enabling activities which will include further service / process review, business process re-engineering, organisations, culture and behaviour, management systems, IT and estate change.
- 5.37. *Complete Full Business Case*: We will identify and analyse costs and combine these with the benefits analysis. We will also identify external funding sources and opportunities for collaboration.

Design Phase enablement

- 5.38. *Programme Management and Coordination*: In order to ensure that it is completed at pace and on time, and that risks are managed, the Design Phase will be run as a project. Nick Vat will direct the project and it will require a fulltime project manager and fulltime project coordinator. It will be run in accordance with the corporate PMO's project management standards.
- 5.39. *Customer capability assessment and service / process review*: Special tools and skills are required to conduct these activities. Nick Vat will supply and run the customer capability assessment, an Interim Business Analyst (currently being recruited) will set up and run the service / process reviews and will be supported by three additional business analysts.
- 5.40. *Customer engagement*: When conducted in the wrong way and with the wrong tools this can be an onerous and fruitless task. It is important that the right approach and skills are used to engage with customers to ensure that we gain the insights needed and the ongoing involvement of customers in the transformation programme. We will need to run this as a project to design the engagement, identify the customer cohorts, recruit customers, setup and run workshops, gather (directly from customers, internal databases and other sources such as Healthwatch) and analyse data.
- 5.41. *Target operating model design*: Will require engagement from across the business for both design and validation. This activity will require inputs from other activities (particularly customer capability assessment, service / process review and customer engagement) and will require senior level involvement and validation (managers, Heads of Service, Assistant Directors and Strategic Directors). Nick Vat and a Business Analyst will facilitate the workshops and produce the outputs. HR business partners will be responsible for analysing the workforce and identifying change requirements in the light of the new target operating model.
- 5.42. *IT and procurement*: Will be responsible for ensuring specification and procurement of the solutions and refreshing the data and information sharing and management policy. Particular emphasis will be placed on procuring in time to deliver it before the current Oracle CRM is no longer supported (which will be in June 2017). There are likely to be implications on the existing arvato contract which will require negotiations with arvato.
- 5.43. *Communications and engagement*: Managing stakeholders and consistent communication will be key for ensuring that this programme is understood and received by the business in a positive way. In addition to communications support for customer engagement, the programme will require communications and engagement support for the whole programme (staff, supplier and partner engagement too). This will require development of a communications strategy and plan and the use of multiple channels for engagement.

- 5.44. *Business case*: Will require development of the benefits framework (which will identify the current baselines and include a first suite of new metrics) and the development of the financial case.
- 5.45. The Design Phase will require considerable effort from a core programme team, input from across the Council, and additional resources. We have adopted a principle of using internal resource as far as possible, both to keep the costs down and to enable continuity into the Deliver Phase. However, as indicated in the Risk Register, it is necessary to make provision for temporary external resources.

Corporate resources	Notes	Estimated effort (%)
Business Analysts (services)	Currently engaged in service change projects across the Council	10 – 100
Communications	The Communications team	30 – 40
Council Officers (all staff) and Members	Ranging from some involvement to extensive involvement for periods of time	
Finance	The Finance team	30 – 40
Head of Customer	Currently being recruited	100
HR	The HR team	30 – 40
Interim Business Analyst	Currently being recruited	100
IT	IT Manager	80
Legal services	An officer with arvato contract knowledge	5
Performance management	All Performance Managers	30 – 40
PMO	An Officer providing Portfolio management and input in programme design	10 – 20
Procurement	Head of Procurement	10 – 20
Project Manager (Customer)	Secondment from PMO	100
Project Manager (Mobile and Flexible)	An officer from the Facilities Management team	70 – 80
Project Support (Mobile and Flexible)	An officer from the Facilities Management team	30 – 40
Programme Direction	Nick Vat	80

Additional resources	Estimated effort (%)	Estimated cost (£)⁹
arvato (primarily solution architects for demand outside the existing contract)	60 – 80	90,000
Business Analysts (x3)	100	180,000
Change Manager (communications and engagement, and behaviour design)	100	60,000
External service provider (for customer engagement project)	Project	100,000
Project Support	100	40,000
Backfill for PMO (secondment to Customer Project Manager)	100	40,000
Backfill for Facilities Management		20,000
Backfill for IT Manager	100	80,000
Other – such as marketing materials and IT equipment for temporary resources.		£15,000
Total		£625,000

- 5.46. We will seek to extend some of these resources into the Deliver Phase; this will be clarified in the Business Case produced by the Design Phase.
- 5.47. Procurement of the core digital solutions will require significant investment. During the Design Phase we will complete the detailed design for these solutions and subsequently present a business case for their procurement. Currently the one-off cost is estimated at £2m plus (including licenses and professional services for implementation). There will also be additional ongoing revenue costs. Procurement of mobile working solutions will also require investment that will be identified in a separate business case.

6. Comments of Other Committees

None.

⁹ Where appropriate, all estimates include on-costs of 25%.

7. Conclusion

A customer-centric Council which understands its customers, builds operations around them, manages relationships openly and communicates effectively, and uses customer understanding to deliver target outcomes is what will be enabled and delivered by the Customer and Digital Programme.

This report presents the outline case for change, highlighting the Council's current customer and digital capability and the gaps that must be closed to take full advantage of digital opportunities. It also identifies significant sources of benefit that the programme will deliver and which will help the Council to achieve its strategic, operational and financial targets.

The report outlines the activities and resources required for the next phase (the Design Phase) of the programme and risks that will need to be managed.

The Cabinet is requested to resolve that Officers are instructed to commence the recruitment of the Programme Team and the Design Phase of the Programme at an estimated cost of £625k.

8. Appendices Attached

- 'A' - Slough's digital capability
- 'B' - Digital vision
- 'C' - Customer-centric future operating model with digital solutions
- 'D' - Schedule Gantt
- 'E' - Multi-channel digital architecture

9. Background Papers

None.

Appendix A – Slough’s digital capability

1. Geo-demographic data has helped us to better understand the residents of Slough and their readiness for adopting digital channels of engagement.
2. According to the Go ON UK Digital Exclusion Heatmap produced in 2015 following a study commissioned by the Local Government Association¹⁰, the likelihood of digital exclusion in Slough is low (see Figure 2: Summary of Digital Exclusion Findings for Slough). Infrastructure is excellent (98% of households receive broadband speeds of more than 10 megabits per second, 82% of households receive 4G mobile data from all providers); digital skills are good (91% of adults have been online, 75% have all 5 basic digital skills¹¹, and 24% have used all 5 of these skills in the last 3 months); and social factors are well within ranges that contribute to digital inclusion (91% of adults are under 65 years old, 65% have qualifications and earn around £22,500 per annum, and 86% do not have long-term illness or disability).
3. From this data we can deduce that at least 85% of Slough adult residents have digital access and devices, and would be willing to use digital channels if they are easy to use, quick to access and deliver the expected outcomes. We can also deduce that not more than 35% of the population will require some assistance in accessing services through digital channels.

Figure 2: Summary of Digital Exclusion Findings for Slough

4. Further to this, we have analysed Acorn data (provided by CACI) and identified five personas which represent distinct digital profiles of the adult residents of Slough:

Resident persona	Proportion of adult population	Preferred engagement channel
A – Digitally capable but prefer other methods (typically young families).	20%	Respond to mail.
B – Part of the digital generation – often online (typically young singles).	20%	Purchase local government services online.
C – Digital channels are most acceptable (typically established families).	36%	Prefer email.
D – Use the Internet mainly for social	21%	Prefer phone calls.

¹⁰ The Go ON UK Digital Exclusion Heatmap has been developed with support from the BBC as part of their Make It Digital and wider digital literacy initiatives, the Local Government Association and The London School of Economics and Political Science, using fresh insight into Basic Digital Skills in association with Lloyds Banking Group. - See more at:

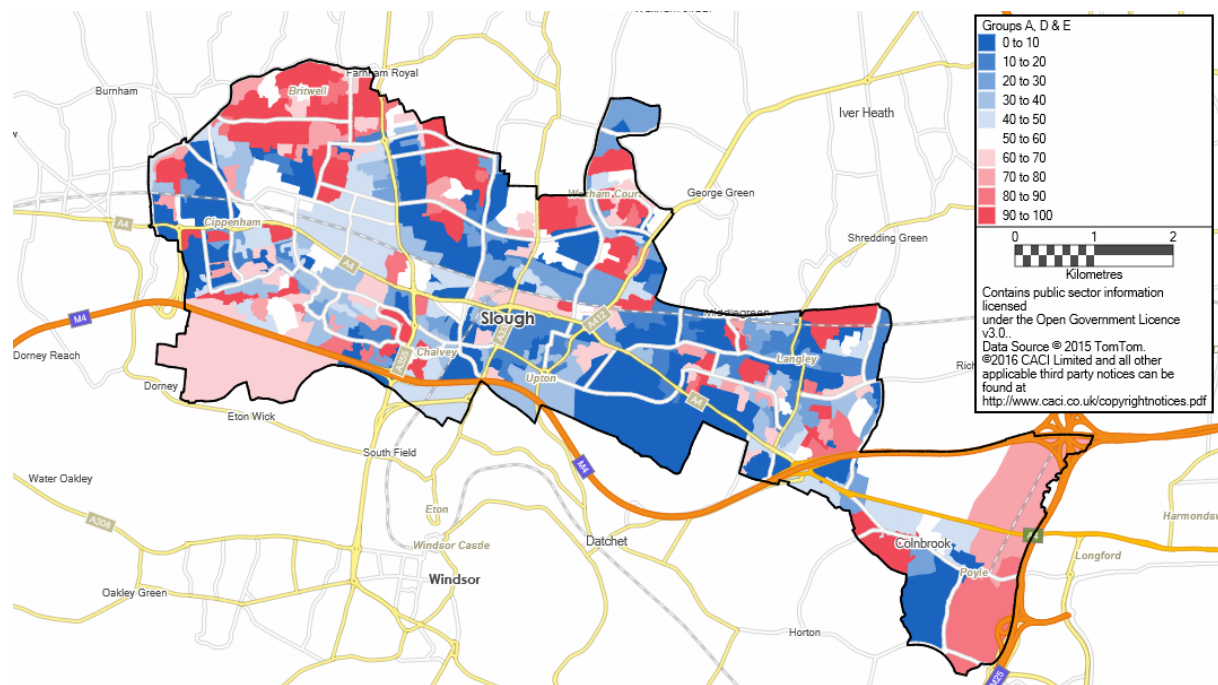
<https://doteveryone.org.uk/resources/heatmap/?area=Slough&metric=social#sthash.jMRZcDRI.dpuf>

¹¹ The 5 basic digital skills are: managing information, communicating, transacting, problem solving and creating.

networking (typically financially struggling).		
E – Reject digital communication methods (typically retired).	2%	Prefer visits.

- This analysis supports the conclusions of the Digital Exclusion study above and adds richness to the insight, enabling us to describe and identify customers with varying degrees of digital capability as well as engagement preferences. 97% of the adult residents use digital tools (personas A, B, C and D). 56% are digitally capable and prefer digital channels of engagement (B and C). 20% are digitally capable but prefer non-digital channels of communication (A). 21% have some digital capability and prefer non-digital channels of communication (D).
- As shown in Figure 3: Likely Location of Personas A, D and E, we also know where those personas are most likely to reside.

Figure 3: Likely Location of Personas A, D and E



- Whilst this analysis will be done in more detail (in particular to include our own data) in the Design Phase, it is safe to say that Slough residents are definitely ready for a digital SBC.
- It is significant to note that we will encourage all who can to use digital channels (up to 97% of the adult population), we will provide appropriate levels of support for those who need assistance moving to or using digital channels (21%), and we will keep traditional access to services open for those who are absolutely unwilling to use or are incapable of using digital channels (2%).

Appendix B – Digital vision

Slough is a leading digital city

1. Slough is visionary, customer-centric, digital, open and collaborative. The city's development is led by a clear and compelling vision which is jointly owned by all key stakeholders; the city has a detailed and segmented understanding of our citizens' and businesses' needs and builds solutions with them around their needs; the whole city is digitally connected, and services are digital by default; and the city creates spaces and opportunities for new collaborations, sharing and reusing assets (including data) and services. *Slough Borough Council's role is to enable the attainment of this vision.*

Slough Borough Council is a leading digital council

2. *Visionary.* Our development is led by a clear and compelling vision which is jointly owned by all key stakeholders. Achievement of the vision is led by a broad-based leadership team which draws on the strengths of all relevant partners and communities.
3. *Digitally savvy.* We engage city stakeholders in the development of our city into a leading digital city. We understand digital opportunities and digital is woven into the fabric of the organisation. Digital is part of our employee competency framework.
4. *Obsessed with the customer.* Everything we do is aligned to customer needs; we are focussed only on those things that they value most, and they experience what we promise them.
5. *Curious and innovative.* We are data-driven, combining outputs from different processes to generate new insights, learning from every customer interaction and relentlessly evolving and improving the customer experience and outcomes.
6. *Digital and empowering.* Everything possible is digital or automated to its fullest extent; we are lean, responsive and reliable. We are unafraid and empower staff to continually adapt their products and services. We empower customers and staff to self-serve. We do not exclude anybody from services because they don't have digital capabilities.
7. *Open and collaborative.* We create spaces and opportunities for new collaborations, we share and reuse our assets and services, our data is open for anybody to use, and our systems are flexible, resilient and adaptable.
8. *Mobile and flexible.* Everything is accessible via mobile device. We deliver services at our customer's location and can work from anywhere and at any time.

Appendix C - Customer-centric future operating model with digital solutions

1. Customers will self-serve as a matter of principle and services will be designed with digital delivery as the default solution.
2. All routine customer transactions will be fully automated and integrated into operational systems where possible (wherever possible we will bring the back office into the front office).
3. Staff from across the organisation will undertake their business using the digital solutions and new processes designed to enable optimal customer service with minimal waste.
4. We will explore¹² opportunities for the re-design of complex transactions to enable better customer experiences and more efficient use of resources. It is conceivable for example that we will create an advanced, integrated single contact centre with specialist strategic support. Staff in the contact centre might work collaboratively to process complex service assessments relating to services from across the organisation.
5. This way of working will be underpinned by a 'single view of the customer' which will be made possible either through a single Customer Relationship Management (CRM) solution or through multi-screen access to disparate systems.
6. Engagement with customers will be multi-channel and it is our aim to provide a wide range of channels such as web, mobile, social, a request via Siri, email, telephony (including for example voice, text, Whatsapp and Skype), face-to-face, post and partner.
7. In order to drive efficiencies, customers will be actively encouraged to participate in self-management and assessment where appropriate and face-to-face and telephone contact will be limited to specialist needs or to support customers who need special assistance.
8. As shown in Figure 4, customers will access our offering through three primary propositions:
 - 8.1. A *customer portal* for transactions (such as making complaints, reporting problems or paying council tax). This will provide a single route into the Council's online services and information tailored around the individual's specific needs. It will link various back office systems and data sources to provide an easy-to-use digital one-stop shop for customers.
 - 8.2. A mobile first, responsive *website* for information, advice, signposting and community interaction (providing such content as provided by SBC, partners, suppliers, community groups and customers). This will incorporate existing platforms (e.g. Facebook and Twitter) or develop new platforms (such as bespoke websites) to encourage and / or enable customers to collaborate with the rest of the community, with limited interaction from the Council required.

¹² This will take place during the Design Phase.

- 8.3. *Service delivery* for services (designed to deliver consistent customer experiences in line with the customer strategy).
9. Underpinning the customer interfaces are several key capabilities:
- 9.1. *Integrated customer relationship management (CRM) technologies* that interface with customers and support seamless customer journeys and customer centred workflows.
- 9.2. Integrated data from customers, suppliers and the back office will support mobile and flexible working and enable the generation of: customer-centred workflows and a single view of the customer (including a single customer record); and *business intelligence* to inform strategic decisions, tailor services, and predict service requests ultimately improving *commissioning, influencing and procurement*. Targeted information will provide customers and staff with quicker and easier access to information through the website, over the telephone, or by pushing information to them, reducing the number of basic information requests received by the Council.
- 9.3. An *assisted digital* team which will support people to adopt digital channels or who can't use online Council services on their own. Up to 97% of Slough's adult population has the capability to 'go digital'. The 76% with high levels of capability will be supported by the availability of the leading digital solutions described above, maximisation of the breadth and depth of services available online, and active promotion of digital self-service channels. The 21% who are not so capable or willing will be further supported with assistance or training (provided by the assisted digital team, staff and partner organisations) and access to self-service terminals. The 2% who are absolutely unwilling or incapable will have traditional access to services but with a refined 'triage' system in place to identify and provide the right level of support. A key part of the assistance concept will be to work with customers to help overcome the barriers that might exist so that future contact can be carried out digitally. As suggested above, the assisted digital team may also be a group (or multi-disciplinary team) with varied but complementary experience, qualifications, and skills that can support / process more complex transactions or solve a problem.
- 9.4. *Agile working* (mobile and flexible) which will enable staff to work closer to their customers (for example, in their homes or on their building site) and at times that are more suitable or flexible.
10. Figure 5 shows a more in-depth view of the key digital building blocks, and Figure 6 illustrates through the example of the Planning Application process the impact that this could have on services.
11. In the next Phase of the programme, detailed design work will build on these principles and solution themes to develop and agree a future customer-centric model that is enabled through digital solutions which are simple and intuitive.

Figure 4: Customer-centric future operating model with digital solutions

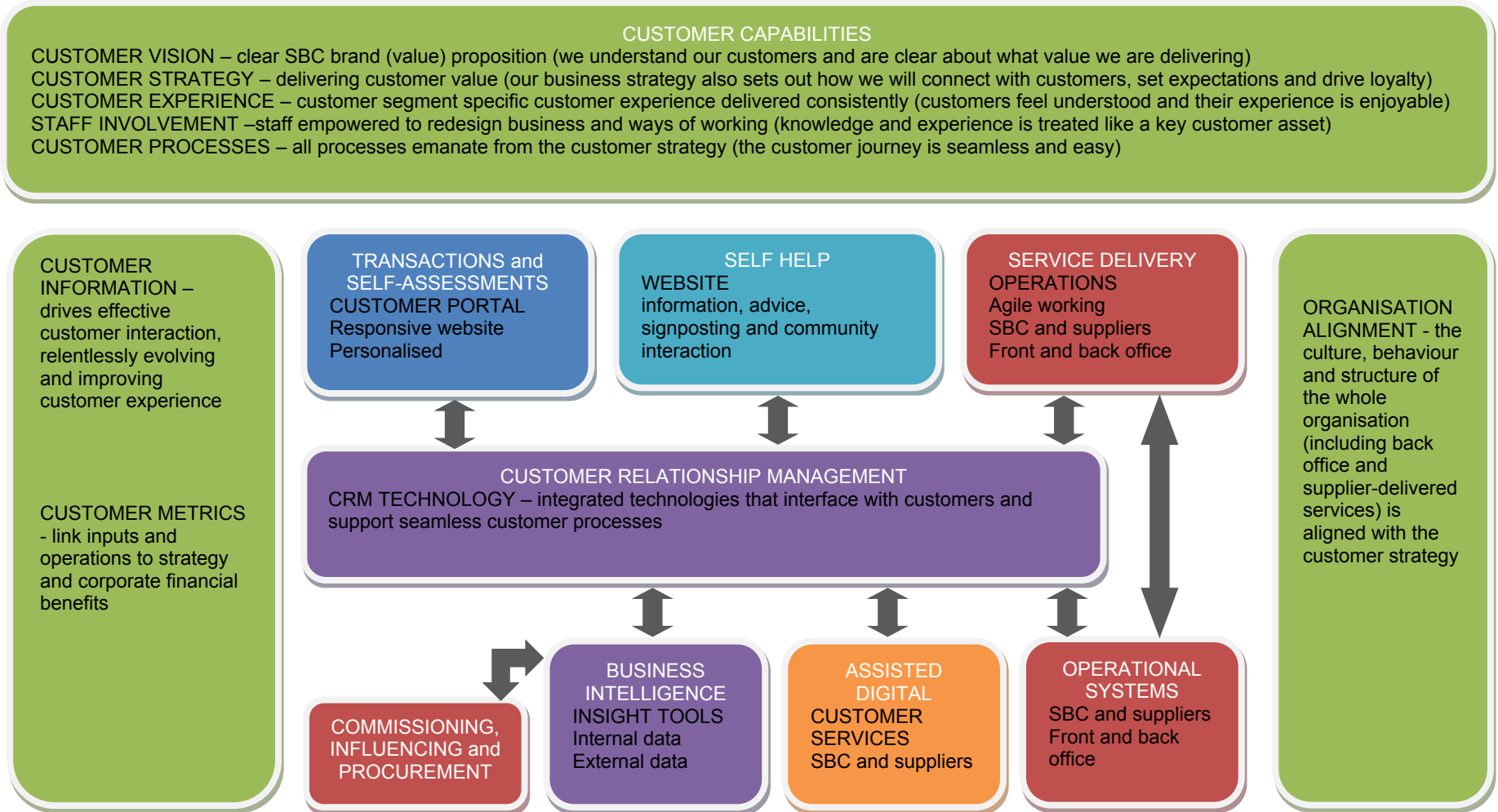
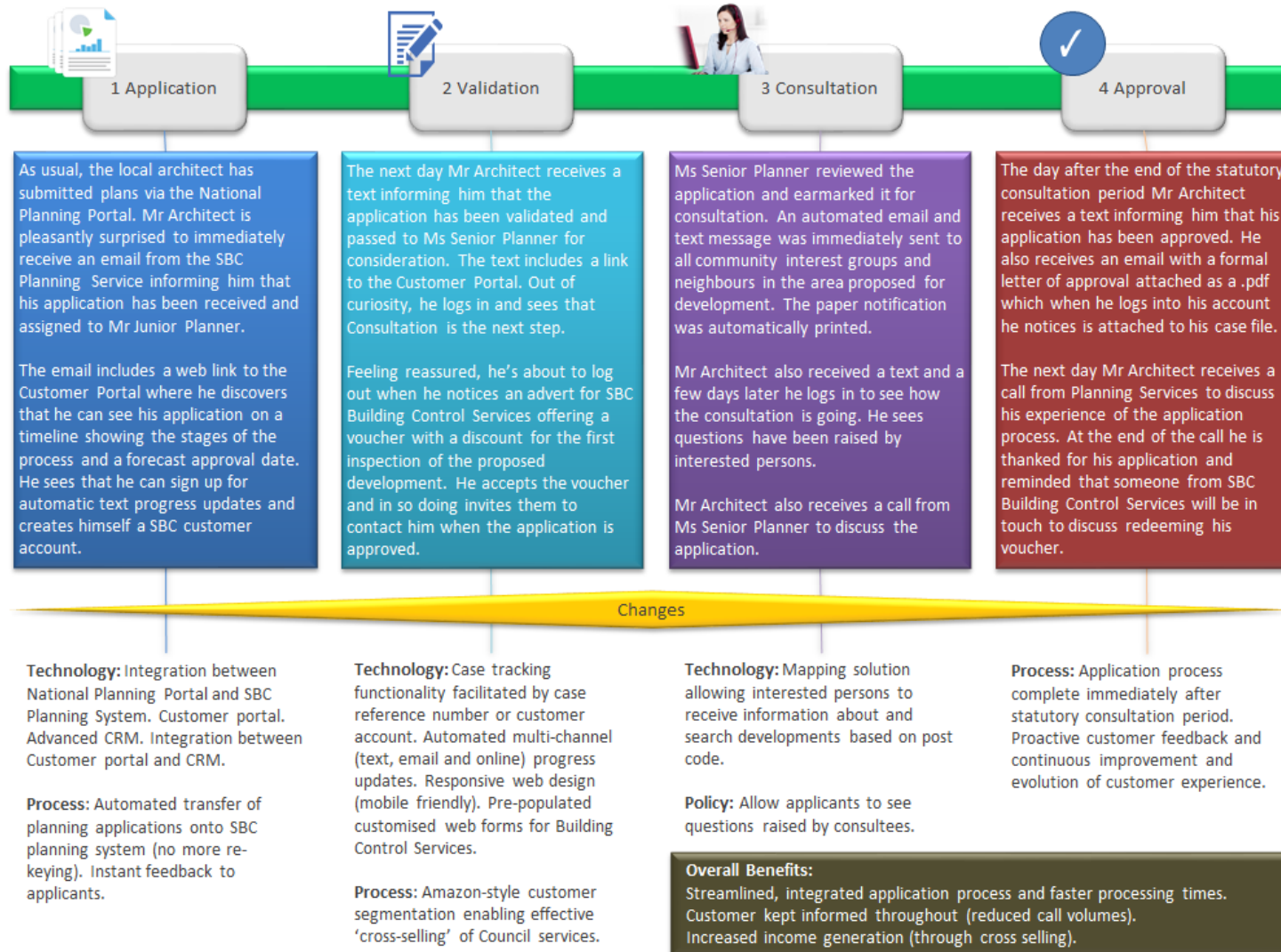


Figure 5: A closer look at the key digital building blocks

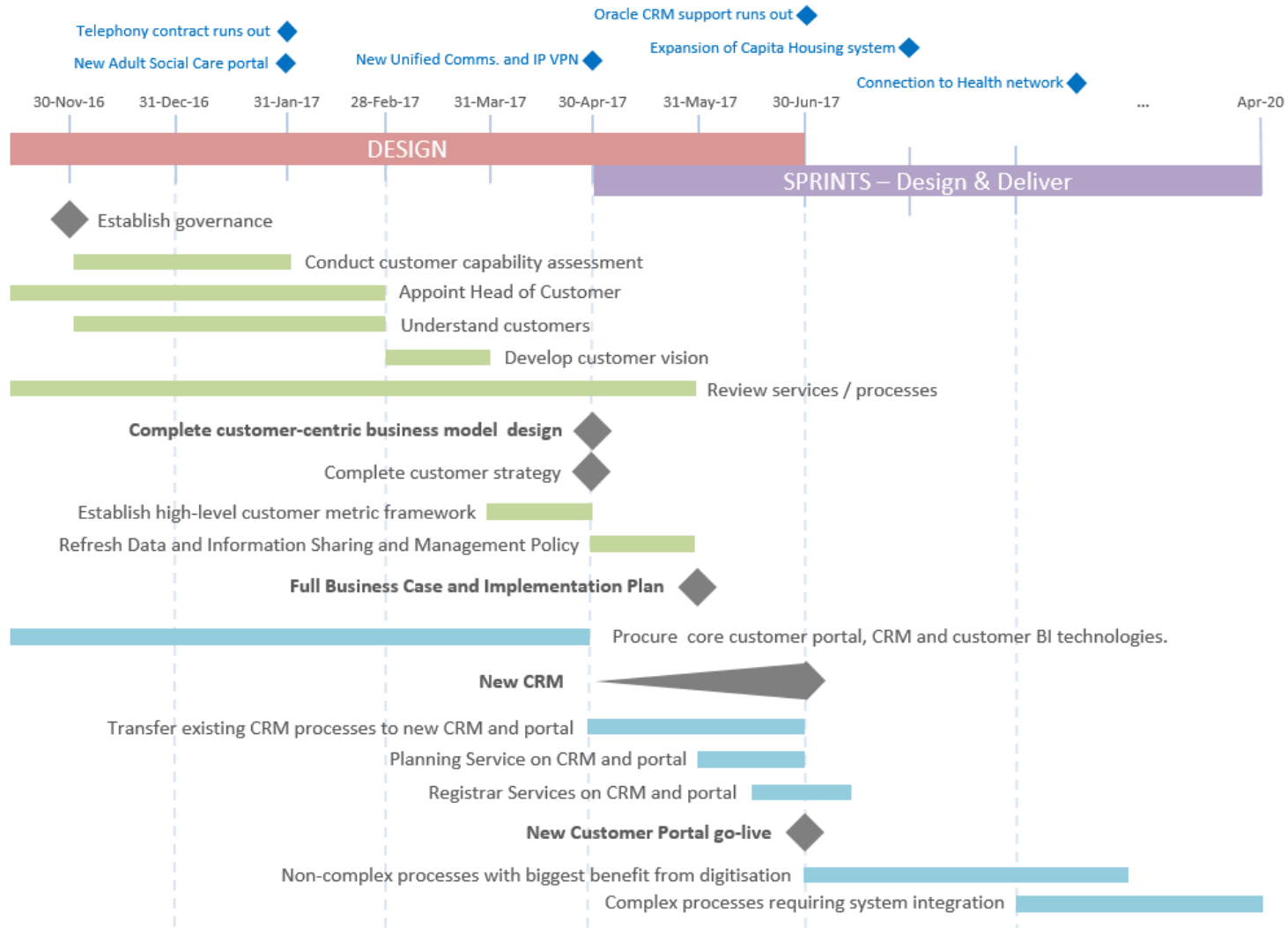


Figure 6: Service implications - the Planning Application process



Appendix D – Schedule Gantt

Schedule: Gantt



Appendix E - Multi-channel digital architecture

The capabilities identified by customer journey mapping will require purchase or development of many of the services in the multi-channel digital architecture.

