



# Cabinet

7 NOVEMBER 2011

**LEADER**

*Councillor Stephen Greenhalgh*

**USE OF HFBP PROFIT SHARE TO FUND E-SERVICES IN 2011/12**

**Ward(s):  
ALL**

In response to the administration's priorities of reforming public service delivery to ensure best possible outcomes at lowest cost, it is recognised that the Council needs to transform its relationship with customers and increase the ability for them to serve themselves whilst also ensuring satisfaction. In June 2011, HFBP presented the Council with a set of cost saving opportunities to support the delivery of the Medium Term Financial Strategy (MTFS). This included an 'e-services' element that had been jointly developed by H&F and Agilysys. This report requests approval to use the anticipated HFBP profit share to pursue the e-services agenda as part of a wider self serve strategy.

A separate report on the exempt Cabinet agenda provides exempt information relating to the outcome of negotiations with Agilysys.

**CONTRIBUTORS**

AD Customer Transformation  
EDFCG  
ADLDS  
AD IT Strategy and Procurement

**Recommendation:**

**That the £825k HFBP profit share due to the Council in 2011/12 be used to deliver the Council's self serve agenda and to deliver £874k annual MTFS savings from 2012/13 as set out in the exempt report.**

**HAS AN EIA BEEN COMPLETED?  
YES**

**HAS THE REPORT CONTENT BEEN RISK ASSESSED?  
YES**

## **1. BACKGROUND**

- 1.1. In response to the administration's priorities of reforming public service delivery to ensure best possible outcomes at lowest cost, it is recognised that the Council needs to transform its relationship with customers and increase the ability for them to serve themselves whilst also ensuring satisfaction.
- 1.2. At the HFBP Board in early June 2011, the Leader of the Council and other Board members considered a set of cost saving opportunities to support the delivery of the Council's Medium Term Financial Strategy (MTFS). This included an 'e-services' element that had been jointly developed by H&F and Agilisys. This presented a range of opportunities to further automate access to services and indeed, where appropriate, full service delivery by telephone, web and mobile phone as part of a wider self serve strategy. This strategy would provide customers with the ability to transact with us 24 hours a day, 7 days a week. This wholly aligns to the Government's 'Digital by Default' agenda.
- 1.3. This paper sets out proposals around e-services for Cabinet approval. Funding is now required to progress the self service strategy during 2011/12.

## **2. DEVELOPING A 'SELF SERVE' STRATEGY**

- 2.1. Self service is not a new concept. Self service is a deliberate and a critical element of the operating models of a range of private sector service organisations such as banks, supermarkets and utilities to put the customer in control and to reduce business operating costs. As part of this, customers are provided with the means to self serve a range of products and services on the web, telephone and indeed in face-to-face operations (e.g. self serve checkouts in supermarkets).
- 2.2. Learning from these experiences, H&F officers are analysing how the concept of self service can be applied more fundamentally in a Local Authority context and as a core part of the operating model to reduce costs.
- 2.3. Experience from other industries indicates that successfully achieving a shift in customer behaviour and thus a reduction in costs of customer access and service provision requires a more intelligent and customer focused approach. Moving away from a 'build it and they will come' philosophy, the most successful businesses have recognised the need to effect a capability shift ,e.g. developing our telephony and web capability as well as a mindset shift, e.g. customers being motivated and actively doing more for themselves.

### **3. THE ROLE OF E-SERVICES IN THE SELF SERVE AGENDA**

- 3.1 E-services are a key enabler to delivering a self serve agenda. The development of 'My Account' (our web based customer portal) in 2010/11 has been a significant step in improving the transactional capability of our website and indeed improving our online experience for customers. Since launching, 42,000 customers have registered and are actively using the portal. As a result, our website is deemed to be one of the best in the country. The development of this and other improvements have attracted a range of interest from other authorities who are trying to develop online services.
- 3.2 A recent external review of our website placed us in the SOCITM top 20, rating our website 17<sup>th</sup> in the country and third in London.
- 3.3 However, it is recognised that there is more that we can do. Further developing our website, telephony and mobile technologies to deliver a wider range of services and indeed delivering full, rather than parts of, services is a critical element in reducing the costs of service delivery.

### **4. 2011/12 STRATEGY AND KEY BENEFITS**

- 4.1 Our 2011/12 strategy focuses on high volume, transactional areas of the Council. By May 2013 we will provide a full self service offer to customers in the following areas:
- Housing Register
  - Development Management (Planning)
  - Licensing
  - Building Control
  - Libraries
  - Environmental Reporting
  - Adult Learning
- 4.2 The key benefits for the customer and the Council are:
- Providing 'end to end' e-enabled transactions- making it easier for our customers to transact with us both in terms of reporting, applying for, booking or paying for services.
  - Enabling customers to access services whenever they choose to do so – up to 365 days per year 24 hours per day.
  - Improving turnaround times for service provision by getting the customer to provide more information themselves or providing it in such a way that it enters direct into our systems, therefore not reliant upon officer input.

- Managing customer demands more effectively and reducing error demand;.
- Reducing our cost to serve and therefore enabling value to be extracted in terms of cashable savings.
- Protecting or in some cases driving up income including through cross selling services.
- Exploring implementing differing service levels and associated variable charging models to drive income and also incentivise behaviour. This builds on the service provided by Pay and Park where customers are able to pay a premium to receive their parking permit guaranteed the following day. Like many insurance companies, we will also explore discounting to encourage customers to access services in ways that are cheaper for the Council to administer.

## **5. RISK MANAGEMENT**

- 5.1 This programme will be monitored by the Council's Transformation Management Office and will be listed on the corporate risk register. The programme will have a board of senior officers and associated stakeholder forum which will meet on a regular cycle to manage issues and risks and escalate these, as appropriate, through to the Assistant Director (Cleaner Greener Neighbourhoods), the senior responsible officer for the customer access and service delivery model portfolio. In addition, progress against this delivery and customer outcomes will be overseen by the corporate Transformation Board. Corporate benefits realisation will be tracked via the MTFs process, managed by Finance.

## **6. EQUALITY IMPLICATIONS**

- 6.1 There are no immediate equality implications relating to agreeing that the HFBP profit share be spent in this way. Further Equality Impact Assessments will be completed once the constituent projects are underway and service redesign options are being considered.

## **7. COMMENTS OF THE EXECUTIVE DIRECTOR OF FINANCE AND CORPORATE GOVERNANCE**

- 7.1. Further to the initial one off investment, the outlined 2011/12 self serve strategy will deliver ongoing net general fund annual savings of £874k per annum from 2012/13. One-off cash funding is requested to deliver the capability and associated efficiencies and it is proposed that this be made available from the HFBP profit share.

**8. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)**

8.1. There are no direct Legal implications.

**9. COMMENTS OF THE ASSISTANT DIRECTOR PROCUREMENT and IT strategy (if relevant)**

9.1 There are no direct Procurement implications. The AD Procurement and IT strategy agrees with the recommendations of this report.

**LOCAL GOVERNMENT ACT 2000**  
**LIST OF BACKGROUND PAPERS**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	Self serve strategy paper	Marie Snelling	RSD
<b>CONTACT OFFICER: Marie Snelling</b>		<b>NAME: EXT. 4288</b>	