

Digital Savings Plan - reasoning and routes for achieving proposed savings figures

Introduction

The work being undertaken across the organisation aims to introduce technologies and efficient methodologies to produce savings for the Council. This document provides a summary of the proposed savings relating to technological improvements between 25/26 and 28/29. It should be noted that given the time horizons savings estimates based on service uptake can't be guaranteed by specific dates because real-world conditions are unpredictable. Expecting precise savings by a certain date is unrealistic. However, these estimates can be calculated using educated assumptions supported by data.

These costs are derived for reductions in supplies or services each year:

Item	2025/26	2026/27	2027/28	2028/29
Email	41,000	93,000	135,000	166,000
Hybrid mail printing & postage	16,000	36,000	53,000	65,000
E-bills	2,000	12,000	18,000	20,000
Paris Licence	3,000			
Advantage Digital (Connect)	22,000			
Garden Waste Automation	2,000	2,000	2,000	2,000
	156,000	289,000	367,000	414,000

1. Email: The target is for 93% of residents to receive their correspondence via email as 'Default'. 7% of the Borough is digitally excluded as per ONS data so have not been factored into targets. The estimated savings are based on the costs saved from not printing, posting or using a hybrid solution. Emails can be sent free of charge from our internal servers. We will sign new users to the email service as default, with the intention they will opt out if they wish to receive physical copies.

- The estimate is to sign up 20 to 25% of residents each year, specifically around the main billing period in April where most people are interacting with the Council.
- If all interactions and correspondence were sent via Email, this target could be achieved at a faster rate and the saving would be accelerated.

2. Hybrid mail printing & postage: Hybrid can be rolled out quickly, the volume set to increase as services come onboard - savings shown are for Customer Services & Revs only. This is not controlled by user adoption but internal processes.

- Current Cost: £1.03 per unit
- Hybrid Mail: £0.73 per unit
- Dot post (Email): £0.15p per unit (This is different to the above Email's as it is only for large scale campaigns sending hundreds or thousands at a time, above is for single items sent ad-hoc)
- Self-serve (portal): £0.00 per unit

3. E-Bills: These savings are derived from placing bills and other correspondence directly onto customer accounts in the customer portal. This avoids any costs at all.

The savings are based on the following assumptions.

- o 25% uptake of dailies in yr1,
- o 50% yr2
- o 75% yr3
- o 93% yr4
- o Increasing the uptake rate would achieve the savings sooner.
- o This could be accelerated by signing residents up as default and removing other communication types as a method of communication.

- A dependency on this is the acquisition of software to template all correspondence types so it is displayed correctly in the portal.

4. Paris Licence and Advantage Digital (Connect)

- Once all of the above have been achieved this software will no longer be required so can be cancelled.
- These licences run from 1st April every year. So, if this was achieved it would be from April of the year the software was no longer required
- This can't be accelerated, this will only be achieved if the above is achieved in full. Details of what we are doing to ensure adoption reaches the levels required to achieve saving targets is detailed below, alongside additional actions we could undertake and clarification of factors which may hinder the process.

5. Garden Waste automation

Automation of payment renewals for the Garden Waste billing cycle account results in a £2k saving per.anum.

Cost decreases due to reduction in staffing

The costs in this table are derived from a reduction in FTE:

GovTech Revenue Automation	34,000	110,000	124,000	126,000
Digital Customer Engagement				
Portal Subscriptions				
Webchat Uptake				
IVR Improvements	36,000	36,000	35,000	35,000
Missed Bin Alerts				

These savings will be achieved through the cumulative effect of the projects listed above running together which will generate the staff savings over time as uptake increases.

Aims of Transformation projects

The savings listed above through the transformation projects have a thread running through all of them which is to achieve the following:

- Reduce customer contact across all channels without reducing customer service levels.
- Introduce resident self-service facilities
- Introduce end-to-end automation of high-volume processes
- Where the above isn't possible, automate parts of the process
- Replace expensive, disparate legacy software applications with cheaper, integrated alternatives that have greater functionality.
- Reduce the cost of posting, printing, paper, envelopes, and consumables by 85% - long term. Reduce it by 30% short term.

It's difficult in a simple table to explain the relationship between the items as a lot of them are related and/or overlap.

These items support a programme which is creating a reciprocal relationship between automated customer facing services and processes. Each component listed will enhance the value of another and should create a self-reinforcing cycle that drives long term adoption and engagement, where the success of one service, boosts the performance of the others.

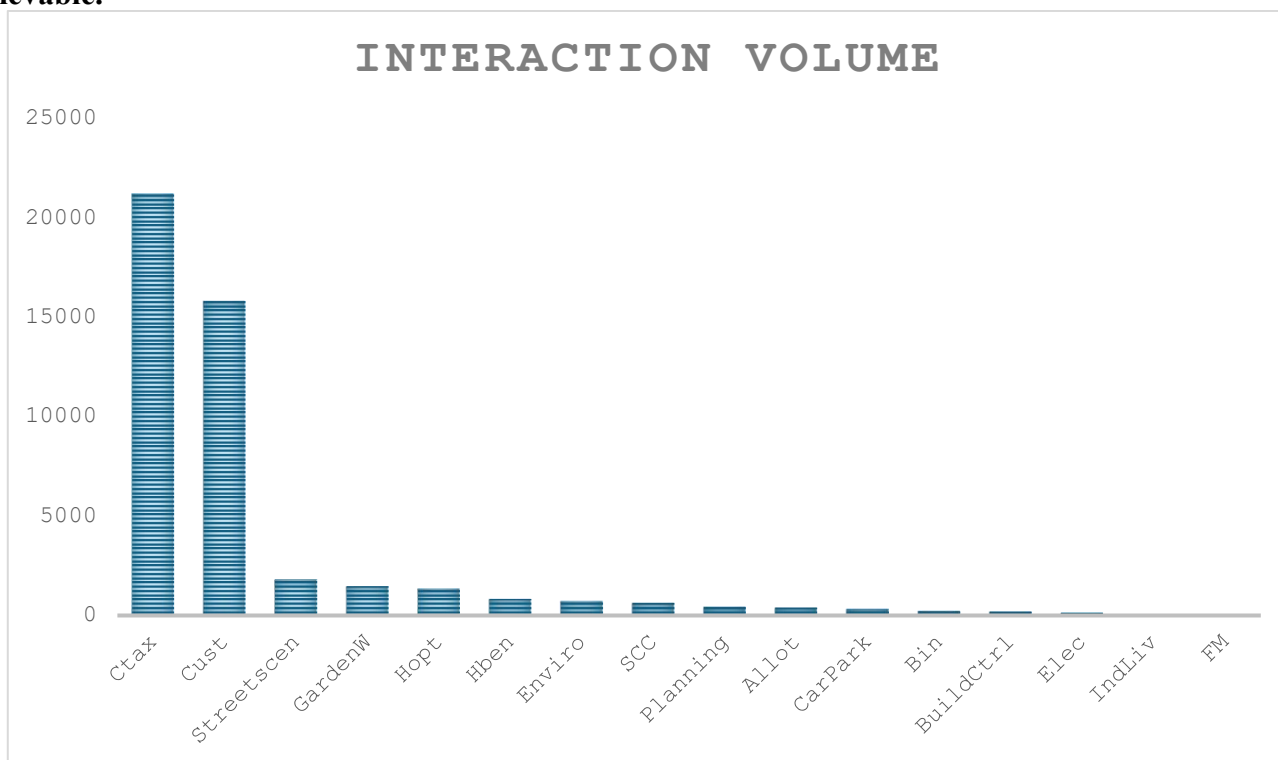
Analysis of our Customer Services Agents(CSA) showed that an average agent completes 8.5k interactions per year, which makes the savings listed achievable.

Nearly a quarter of our Council Tax Base have signed up to the portal in the first year. In contrast, the portal we replaced had 2000 active subscribers when it was decommissioned, and it had been live for 10 years. Additionally, we received 33k e-forms, automating 8.5k of those is achievable. We are very much on target to achieve the numbers needed to deliver the estimated savings, and some of these projects went live in-year so are still reaching full efficacy.

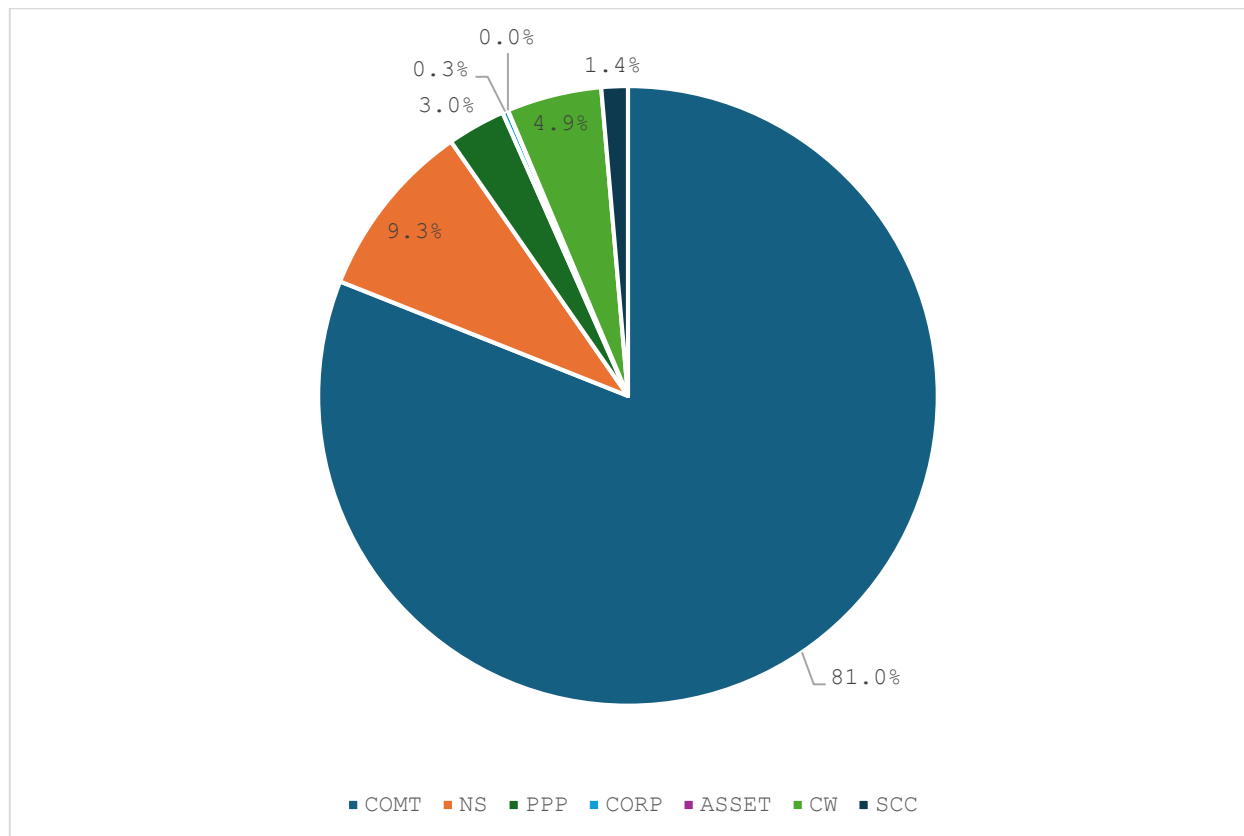
Summary of how estimate was calculated:

- **Govtech:** This software will automate high volume revenue functions. Our calculations are to plateau at around 70%. A recent user group of Councils with a similar software environment to us are achieving automation rates of 80%+ with several over 90% and one authority achieving 100% for Single Person Discounts (SPDs). That makes this estimate achievable.

This chart shows all interactions into our main contact centre for the 2023/24 year, split by team. 46% of these interactions (over 21k) was in relation to Council tax. Our estimate of automating 8.5k is achievable.



Same information split by Service



- **Portal Subscriptions:** Based on assumption of 500 new subscribers per month carrying out 1 x transaction each. The April subscription target increases to 2,000 due to main billing. an 8.5k interaction reduction equates to the average annual workload of 1 FTE.
- **Webchat Uptake:** The webchat will be developed to prevent interactions reaching CSA's. It may be possible to issue documents and provide helpful links. The initial conversation will be managed by AI before being passed to a CSA
- **IVR Uptake:** The telephony menu will be reviewed. When operating as intended the call centre will re-direct callers to self-serve facilities, reducing the calls that reach staff. Where it's necessary for calls to be placed, they will be routed correctly.
- **Alerts:** The contact centre receives a large percentage of calls for bin/missed bin enquiries. Through integration with the portal and GovDelivery, we will pro-actively inform residents of why their bin was missed, and when it will be collected, preventing them from having to get in touch.

What we are doing to ensure targets are reached and estimated savings are achieved.

As stated above, savings estimates based on service uptake can't be guaranteed by specific dates because real-world conditions are unpredictable. There are some actions we can take to exert control and mitigate risk. Below are clarifications of what we are currently doing, and could do, to influence this.

- **It's Better**
 - The biggest incentive for change is that everything we are doing is a significant improvement on what is being replaced or changed.
 - We have introduced more features, functions, security, performance and accessibility at a lower cost. This will naturally drive uptake.
- **User-Friendly Experience:**

- We have Intentionally created an intuitive onboarding process with guided tutorials, demos, and easy-to-follow documentation. We've ensured the initial setup is as seamless as possible to reduce friction for new users.
- Customer Service staff can sign residents up over the phone, add their accounts, help them complete e-forms and signpost them to the portal for their future needs.
- **Continuous Resident Engagement and Support:**
 - We provide ongoing support through multiple channels such as web chat, email, and phone and we regularly engage with customers through newsletters, and web alerts to keep them informed and involved and to request feedback.
- **Knowledge Base and Self-Service Options:**
 - We have developed a comprehensive knowledge base with FAQs, how-to guides, and tutorials. We have provided self-service options so residents can find answers to their questions quickly and easily.
- **Personalised Communication:**
 - Through GovDelivery we use personalised emails and notifications to guide and inform customers and tailor our messages based on user preferences to make the communication more relevant and engaging.

What could be considered to further accelerate adoption.

- **Incentives and Promotions:**
 - Offer special promotions at sign up milestones where the resident wins an iPad, gift voucher or some other item.
- **Phased Removal of Alternatives:**
 - Phase out the old platform or option by setting a clear timeline for its discontinuation. We would communicate these timelines well in advance and provide ample support to help customers & staff transition smoothly.

While offering incentives can be effective in encouraging adoption, they also require financial investment. Given our current focus on cost-saving, we have decided not to pursue this option.

The phased removal of the old platform would demand substantial resources, including time and personnel, to manage the transition effectively. This approach also carries the risk of causing a negative response from customers who may feel pressured or inconvenienced

Below are barriers to adoption which we have limited influence if any over and should be noted:

- **User Resistance to Change:**
 - Some users/staff may be inherently resistant to change, preferring to stick with what is familiar. Overcoming this requires time and consistent effort. We are addressing this in part by our current approach listed above.
- **Organisational Culture:**
 - Culture can significantly impact adoption rates. If the culture is not supportive of change, it can be difficult to accelerate adoption without first addressing these barriers.
- **Learning Curve:**
 - If the new platform is perceived to be significantly different from the old one, users may need more time to learn and adapt. Simplifying the user experience and providing extensive training is helping, but it may still take time for users to become proficient.
- **External Dependencies:**
 - Adoption can be influenced by factors outside Spelthorne's control, such as regulatory requirements, budget and third-party integrations etc. These external dependencies can slow down the process despite our best efforts.
- **Resource Limitations:**

- Limited resources, whether financial, human, or technological, will hinder our ability to accelerate adoption. Ensuring adequate support and resources are available is crucial, but sometimes these limitations are unavoidable.