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Wednesday, 14 November 2018

Dear Sir/Madam

## **STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE**

A meeting of the Strategic (Overview and Scrutiny) Committee has been arranged to take place **THURSDAY, 22ND NOVEMBER, 2018 at 6.00 PM IN THE COMMITTEE ROOM** District Council House, Lichfield to consider the following business.

Access to the Committee Room is via the Members' Entrance.

Yours Faithfully

A handwritten signature in black ink, appearing to read 'Neil Turner', written in a cursive style.

Neil Turner BSc (Hons) MSc  
**Director of Transformation & Resources**

**To: Members of Strategic (Overview and Scrutiny) Committee**

Councillors Strachan (Chairman), Mrs Woodward (Vice-Chair), Mrs Barnett (Vice-Chair), Constable, Mrs Evans, Greatorex, Powell, Rayner, Tittley and White



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## AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minutes of the Previous Meeting 3 - 6
4. Work Programme 7 - 10
5. Draft Medium Term Financial Strategy 2018-2023 - Proposals for Closing the Revenue Funding Gap 11 - 28
6. Our Approach to Digitisation: Progress Report 29 - 44



**STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE**

**5 SEPTEMBER 2018**

**PRESENT:**

Councillors Strachan (Chairman), Mrs Barnett (Vice-Chair), Mrs Evans, Rayner, Tittley and White.

(In accordance with Council Procedure Rule No.17 Councillors Mrs Little, Spruce and Wilcox attended the meeting).

**12 APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Constable, Greatorex, Powell and Woodward

**13 DECLARATIONS OF INTEREST**

None

**14 MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on the 21 March 2018 were recorded and signed as a correct record by the Chairman.

**15 TERMS OF REFERENCE**

The Terms of reference taken Article 6 of Part of the Lichfield District Council Constitution were noted.

**16 WORK PROGRAMME**

The work programme was discussed and it was requested and agreed that the Property Strategy return as an item to the Committee in January to review and consider next steps.

It was also requested that the current Strategic Plan be evaluated at the last meeting of the municipal year before the new Plan is devised in the next Council.

The LEPs Government paper was discussed and it was noted that although Local Authorities may not have a choice on what the governance options were, Members may have opinions which O&S could consider.

It was noted that consideration of the corporate communications strategy had been requested and agreed to be added to the work programme.

**17 DIGITAL STRATEGY**

The Committee received a presentation by the Head of Corporate Services on the emerging Digital Strategy which would be considered by Cabinet in November.

It was reported that the work leading up to the strategy undertaken as part of the innovation programme had investigated the systems map for the Council, and developed a set of key

principles to improve customer experience and efficiency and support cost reduction. The Digital Strategy carried through these principles and set out our ambitions to support the services to transform and realise the power of digitalisation. A cloud readiness assessment has been undertaken and this has demonstrated that significant revenue savings could be made in migrating to cloud based systems over traditional models of upfront investment in ICT. It was also noted that bringing IT support in house has already created efficiencies within the ICT revenue budget, and further use of cloud could extend these savings further.

The Committee agreed to keep the Innovation Task Group and allow them to continue their work in testing new systems as their feedback had been invaluable especially with the implementation of the Green Waste Subscription service. It was reported that the year two subscription notifications were currently being planned.

It was discussed that it would be intended to move to Cloud based systems and this raised concerns with Committee Members around security and data protection. It was reported that the system providers had their own teams of security specialists and were providing high levels of security to other customers which include banks and government departments. This dedicated and highly trained round the clock monitoring and support would far outweigh any local protections that could be put in place. The Committee noted that security requirements were written into the contracts. When asked, it was reported that a cyber security audit had taken place for all the Council's systems and any issues raised had been addressed. Along with this, penetration testing had also taken place for key systems and any known holes had been closed. Members requested further details of the complete Strategy and security testing results.

Productivity and savings were then discussed and it was reported that the cash savings would potentially only be achieved through switching off or reducing other channels as we move to more digital means. The committee were advised that the Digital strategy provided the environment and systems to enable change and the effective management of data but the realisation of efficiencies as a result of those improvements would be made from reviewing processes as part of the fast reviews in the Fit for the Future programme as these costs sat within service budgets and not ICT spend.

It was asked if other local authorities could be invited to share the use of LDCs systems and it was reported that some current systems and contracts would have to be revised to enable this. As part of the Fit for the Future programme fundamental reviews will consider where services can be delivered and these assessments would include a review of core systems including the Revenues and Benefits processing system, which is due for procurement review in 2019. Members were advised that the introduction of online forms in Revenues and Benefits was paid for via funding from the LGA to increase digital access to the service and the roll out of the forms had gone very well

Legacy data was then considered and it was noted that if it was on a server and not maintained, there would be a cost to access it for systems that we no longer intend to use. It was noted that this is a consideration of all projects to only retain access to information we have a right to keep and intention to use. An example was given of work being done through the IDOX project to migrate legacy planning data from the existing document management system (DMS) to the new DMS. It was also reported that as part of the ending of the ICT support contract an Information Manager post had been created to ensure the curation and effective use of all data and information in the Council going forward.

**RESOLVED:** That the information received be noted and points raised be noted by Cabinet.

The Committee received a report setting out proposals to meet the ambitions of the agreed Property Investment Strategy through an in-house property service to manage the council's property estate and the creation of a local government company to develop, sell or lease residential property.

As the item had been already considered by Cabinet, before the item was formally opened for consideration, the Chairman requested views on whether Members would wish for an Overview & Scrutiny Call-In. It was agreed that as the final decision would be made at Council, an amendment based on the Committees views could be made to the report before any decision was taken.

The Leader of the Council introduced the item to the Committee and noted that many other local authorities had already begun doing what was proposed in the report. He reminded the Committee that there was a continuing need to deliver services but as government funding would soon cease we need to look to create alternative income streams.

The recommendations were then introduced to the Committee and it was reported that alternative options had been considered but not deemed viable. It was noted that risks had been thought through and Brexit implications was the greatest concern.

Members asked for clarification on whether the already approved £45m borrowing for the Investment Strategy would be used for the proposed company and it was reported that the company was not part of that Strategy and so it would be funded through other routes including the use of reserves. When asked, it was confirmed that the borrowing as approved in the Investment Strategy was broken down and within the MTFS. Members were pleased to note that it was intended to start with the small target of 5 properties per annum to allow the company to grow.

It was noted that any Fit for the Future projects to modernise systems or processes to carry out the implementation of Property Management had already been budgeted for with resources already in place.

Governance arrangements were then discussed at length and the Committee had some concerns regarding the proposed delegations to the Leader of the Council and Chief Executive and in particular to allow property acquisitions of up to £2m with the oversight of the Section 151 and Monitoring Officers. The Committee were concerned that there was no scrutiny which could lead to exposing individuals to risk. It was reported that the proposal was based on other local authorities with a two stage process with due diligence being carried out before any transactions made. Members requested that the governance arrangements be made clearer and it was proposed that an amendment be made to the draft delegations to say that 'an offer' of up to £2m could be made.

Conflicts of interests of Officers also being Directors and Company Secretary was then discussed and it was confirmed that they would be subject to Section 225 of the Companies Act however deputy Statutory Officers could step in if necessary. It was also clarified that as council Officers, they make recommendations and Councillors make the final decisions and in the case of the company, the shareholder, which would be Lichfield District Council, would make any decision. The Committee accepted that this approach would allow risks of conflicts of interests to be managed and also noted that it would be short term solution and new company directors would be sought when profitable. Assurances were given that the level of commitment required from Officers to be Directors and Company Secretary was manageable.

It was asked if Directors had authority to change the Memorandum of Association and Articles of Association and it was confirmed that the council as the shareholder would retain the right to approve any changes.

When asked it was confirmed that there could be opportunities for second or third party shareholders to be invited but there could be risks of bias in council decision making.

The long term vision for the council was considered and it was noted that the Investment arm should yield quicker results regarding income and the property company would take longer to become profitable as it would require an initial period of reinvestment.

When asked it was noted that audits of the company would be done separately and published on companies' house giving transparency. This information would also be reported to the relevant cabinet member along with a proposed member scrutiny committee.

It was noted that PSP may still be utilised.

**RESOLVED:** That the Strategic (Overview & Scrutiny) Committee endorse the Cabinet decisions subject to the following amendment to the proposed delegation to the Leader and Chief Executive to read;

- A change to the constitution to delegate the Leader and Chief Executive to make an offer for property acquisitions of up to £2m with oversight by the S151 officer and Monitoring Officer.

(The Meeting closed at 8.00 pm)

CHAIRMAN

**STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE WORK PROGRAMME FOR 2018-19**

Item	5 Sept 2018	22 Nov 2018	29 Jan 2019	Details/Reasons		Officer	Member Lead
<b>Policy Development</b>							
Terms of Reference	✓			To remind the Committee of the terms of reference and suggest any amendments		CLL	RS
The Delivery of the Property Investment Strategy	✓					BW	CS
The Digital Strategy	✓					CT	EL

**STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE WORK PROGRAMME FOR 2018-19**

Item	5 Sept 2018	22 Nov 2018	29 Jan 2019	Details/Reasons		Officer	Member Lead
Draft Medium Term Financial Strategy 2018-2023 – Proposals for Closing the Revenue Funding Gap		✓		Report to include <ul style="list-style-type: none"> <li>• The 2018/19 Revenue Budget such as spend by type, external income by type, spend by Cabinet Member and spend by Strategic Priority to provide context.</li> <li>• The projected Revenue Funding Gaps and the reasons for their existence.</li> <li>• The draft Capital Programme and its relationship to the Revenue Budget.</li> <li>• The proposals submitted by Leadership Team and Cabinet and how they would reduce the Revenue Funding Gap.</li> <li>• Seek to obtain the Committee's views on the proposals and then seek any other options from the Committee that they would recommend are considered.</li> </ul>			
Our approach to Innovation		✓		To update on projects	A Well Managed Council -	NT/CT	EL
Medium Term Financial Strategy (Revenue and Capital) 2018-21			✓	Scrutinise the Council's resource plans in relation to the delivery of the Strategic Plan priorities	A Well Managed Council - We'll keep a tight control and management of the Council's finances	NT/AT	CS



**STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE WORK PROGRAMME FOR 2018-19**

Item	5 Sept 2018	22 Nov 2018	29 Jan 2019	Details/Reasons		Officer	Member Lead
Annual Action Plan 2019/20			✓	This will accompany the three year medium term financial forecast for Revenue/Capital and reflect the one year actions needed to deliver the Plan for Lichfield District	A Well Managed Council - We'll maximise the Council's performance, innovation and efficiency, so we use our resources well and deliver good quality and better value services	NT/AT	Leader
Corporate Communications Strategy			✓			NT/CT	EL
<b>Briefing Papers</b>							
Money Matters 2018/98: Review of Financial Performance against the Financial Strategy - April to November 2017			✓	Scrutinise financial performance and the revised estimate for the full year.	A Well Managed Council - We'll keep a tight control and management of the Council's finances	AT	CS

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# Draft Medium Term Financial Strategy 2018-2023 – Proposals for closing the Revenue Funding Gap

Cabinet and Leadership Team

Date: 22 November 2018

Agenda Item: \_\_\_\_\_

Contact Officer: Diane Tilley / Anthony Thomas

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Key Decision? YES

Local Ward Members Full Council



**Strategic  
(Overview &  
Scrutiny  
Committee)**

## 1. Executive Summary

### The Approved Medium Term Financial Strategy

- 1.1. The Original Revenue Budget for 2018/19 estimated that income would exceed expenditure by **(£26,990)** and therefore there would be a contribution to General Reserves. The Medium Term Financial Strategy identifies Funding Gaps from 2019/20 onwards due to both cost pressures such as pay awards together with changes to the funding provided by Grants and Local Taxpayers.
- 1.2. There have been a series of reports to Cabinet (and where necessary Council) that have updated the Medium Term Financial Strategy and the Approved Funding Gaps.
- 1.3. The Finance Team and Budget Holders are currently reviewing detailed budgets and this will include updated projections for employee costs, other budget pressures and investment income.

### The Draft Capital Programme and its Revenue Implications

- 1.4. The Capital Programme is reviewed annually to take account of available resources and new and emerging capital investment needs that are identified by Capital Bids. Cabinet and Leadership Team have identified 10 capital investment needs that require funding of **£1,702,000**. All of these bids can currently be funded from available and projected capital receipts.
- 1.5. The review of the Capital Programme assumes the removal of the Revenue Contribution to the Capital Programme of **£154,000** per annum from 2019/20 and this together with additional income from the Property Investment Strategy and savings from other Capital Bids will reduce the Revenue Funding Gaps.

### Cabinet and Leadership Team’s Proposals for closing the Revenue Budget Funding Gaps

- 1.6. Cabinet and Leadership Team have identified proposals for closing the projected Funding Gaps.
- 1.7. These proposals have been assigned a deliverability rating of red, amber and green. The impact on the Approved Revenue Funding Gaps of these proposals is summarised below:

	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Approved Funding Gap</b>	<b>(£6,180)</b>	<b>£1,222,940</b>	<b>£1,572,010</b>	<b>£1,601,350</b>	<b>£1,654,020</b>
No Negative Revenue Support Grant		(£453,000)			
Capital Programme Revenue Implications	(£109,000)	(£327,000)	(£396,000)	(£592,000)	(£739,000)
Deliverability - Assessed as <b>Green</b>	(£56,450)	(£22,580)	(£22,850)	£48,860	£62,770
<b>Projected Funding Gap</b>	<b>(£171,630)</b>	<b>£420,360</b>	<b>£1,153,160</b>	<b>£1,058,210</b>	<b>£977,790</b>
Deliverability - Assessed as <b>Amber</b>	(£143,730)	(£246,990)	(£205,940)	(£162,610)	(£110,900)
Deliverability - Assessed as <b>Red</b>	£0	(£174,120)	(£200,120)	(£225,120)	(£242,120)
<b>Projected Funding Gap</b>	<b>(£315,360)</b>	<b>(£750)</b>	<b>£747,100</b>	<b>£670,480</b>	<b>£624,770</b>

## 2. Recommendations

- 2.1. The Committee is requested to provide views on the Capital Bids and Funding Gap proposals submitted by Cabinet and Leadership Team and identify any additional areas they would like to be considered as part of the development of the new Medium Term Financial Strategy.

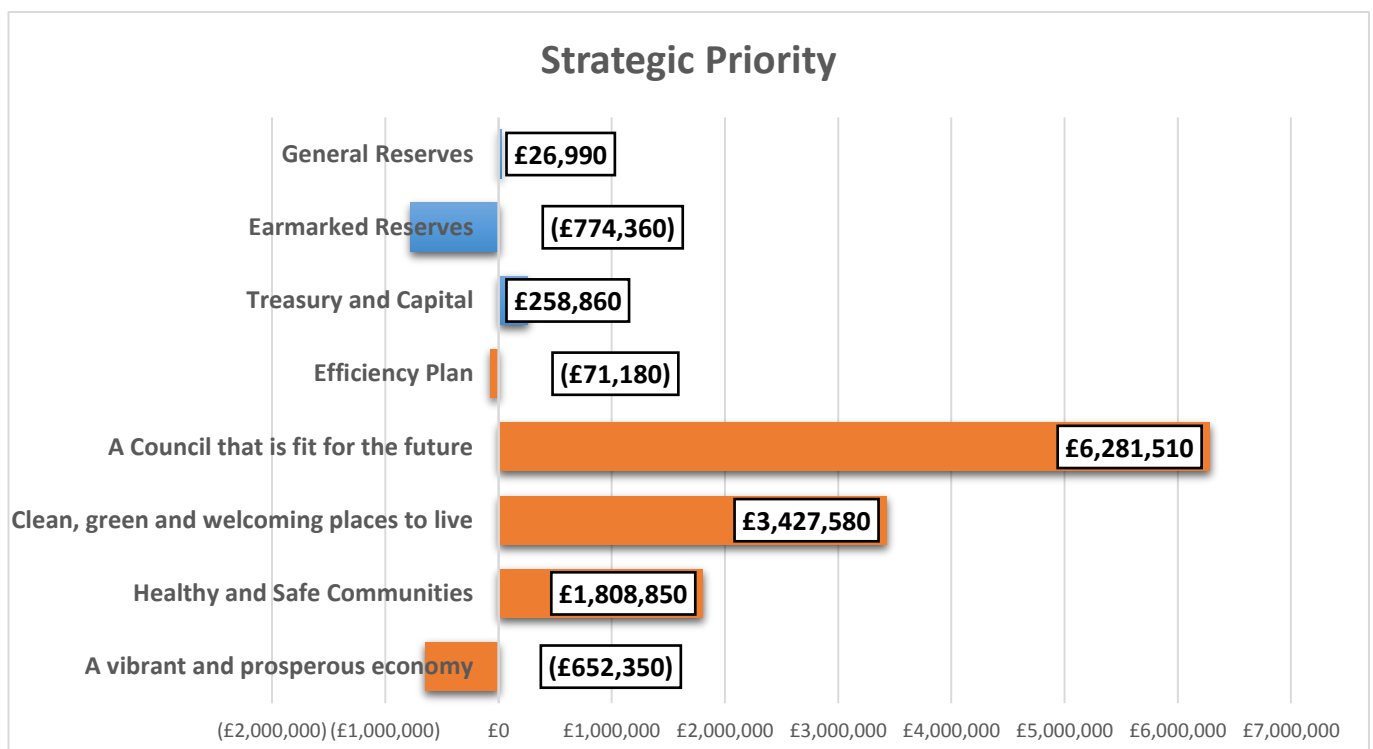
## 3. Background

### The Medium Term Financial Strategy

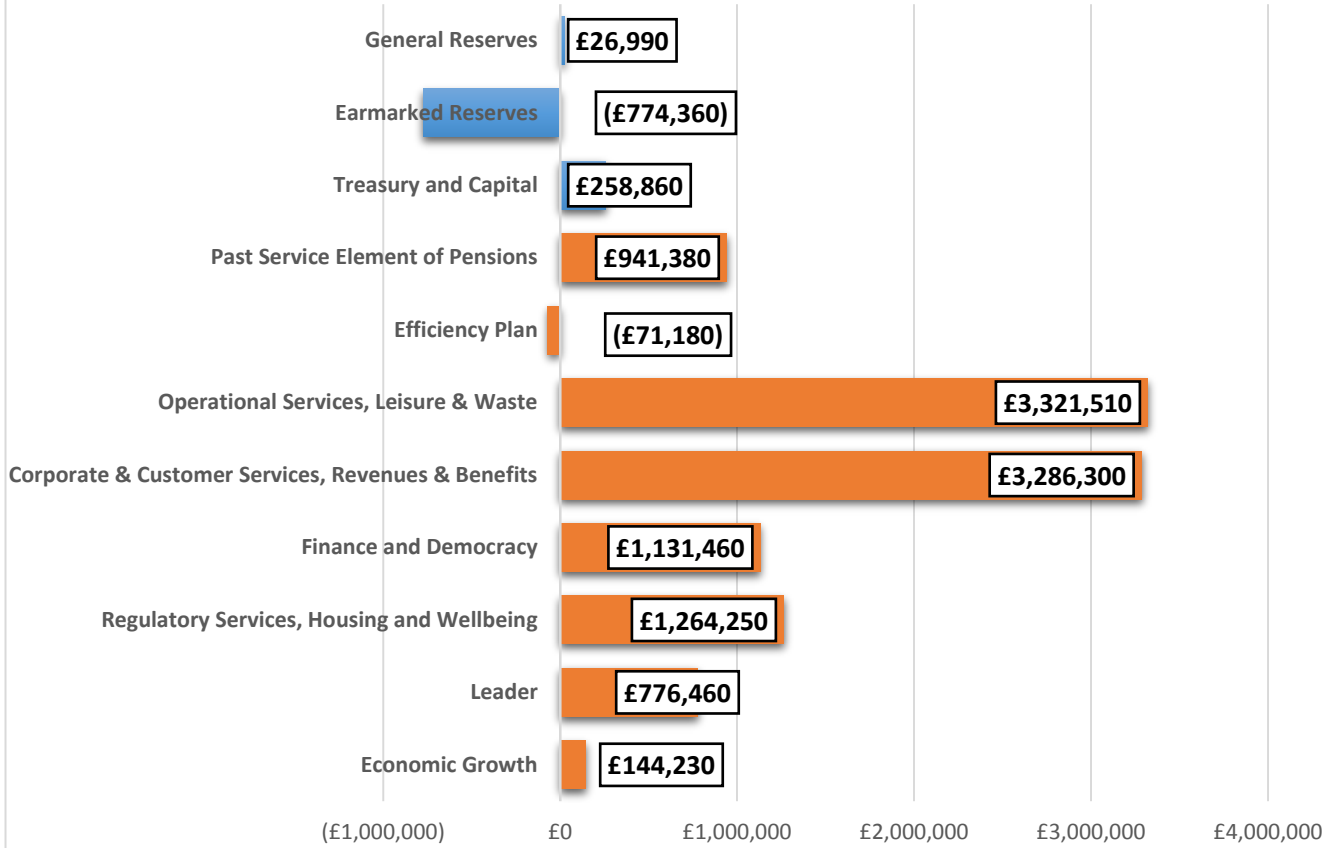
- 3.1. Council approved the Medium Term Financial Strategy (Revenue and Capital) 2017-22 on 20 February 2018 that covered the financial years 2017/18 to 2021/22 (with a further projection for 2022/23 prepared by Finance for forward planning purposes).
- 3.2. The Medium Term Financial Strategy includes:
- **The Revenue Budget** related to the day to day delivery of the Council's services such as waste collection.
  - **The Capital Programme** and its financing for longer term expenditure in relation to the Council's assets such as property.
- 3.3. These two elements of the Medium Term Financial Strategy are connected for example by the financing of the Capital Programme from the revenue budget and the repayment of borrowing together with income and savings resulting from the capital investment.

### The Original Revenue Budget for 2018/19

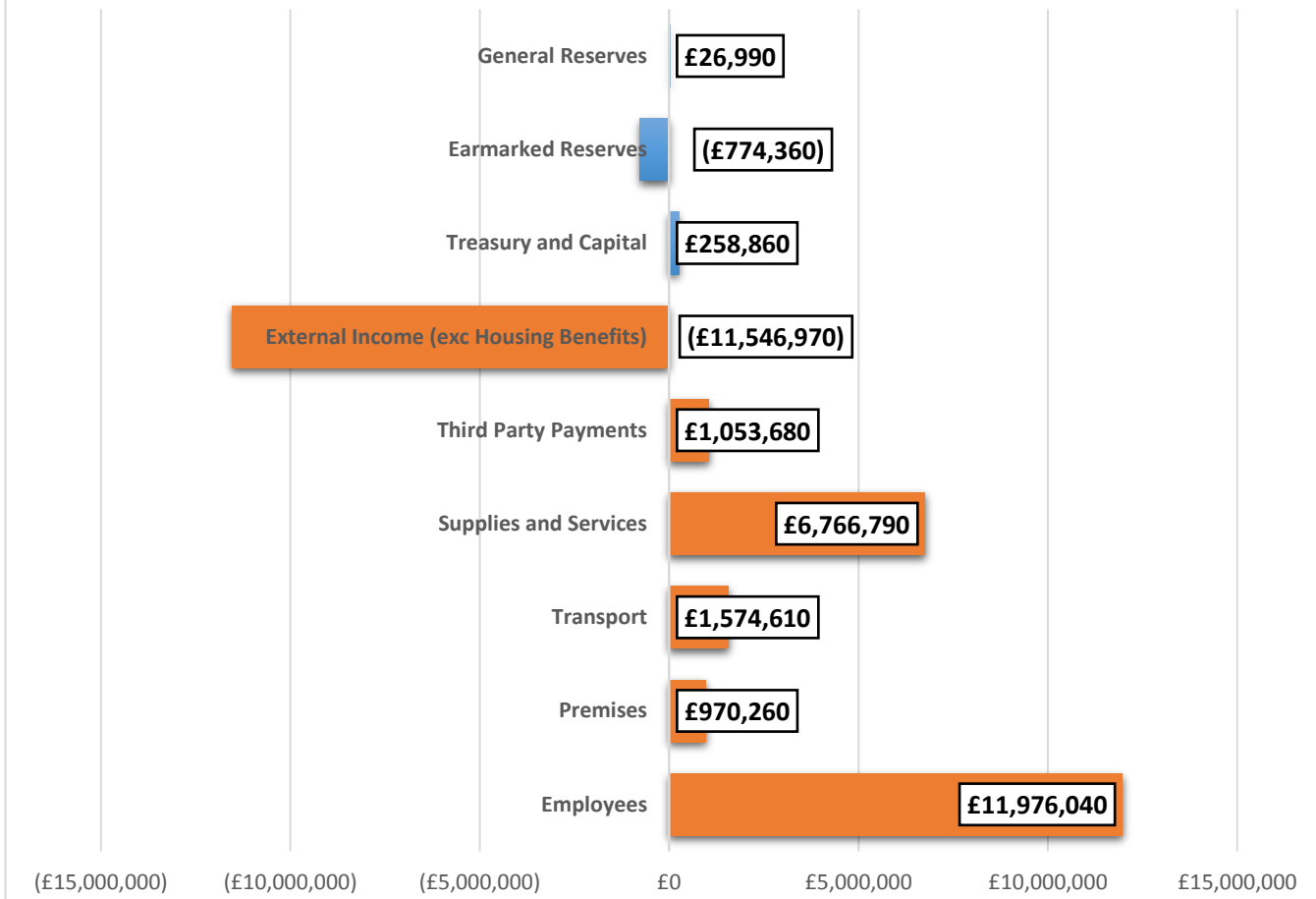
- 3.4. The Original Revenue Budget for 2018/19 that is funded from Grants and Local Taxpayers was **£10,305,900**.
- 3.5. The Original Revenue Budget for 2018/19 estimated that income would exceed expenditure by **(£26,990)** and therefore there would be a small contribution to General Reserves.
- 3.6. This budget (without recharges) can be analysed by different Strategic Priorities, Cabinet Members and types of expenditure and income and these are shown in detail at **APPENDIX A** and below:



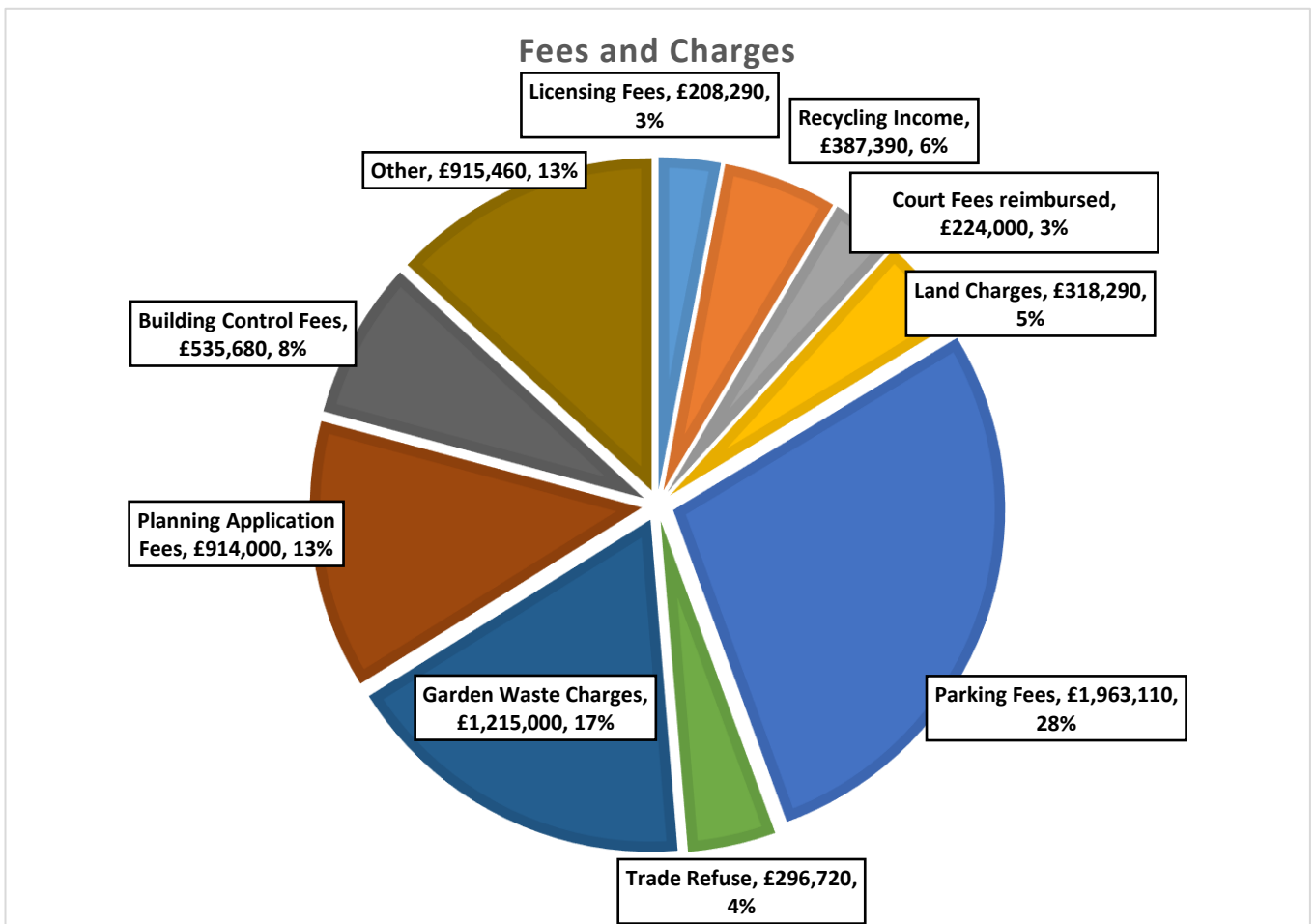
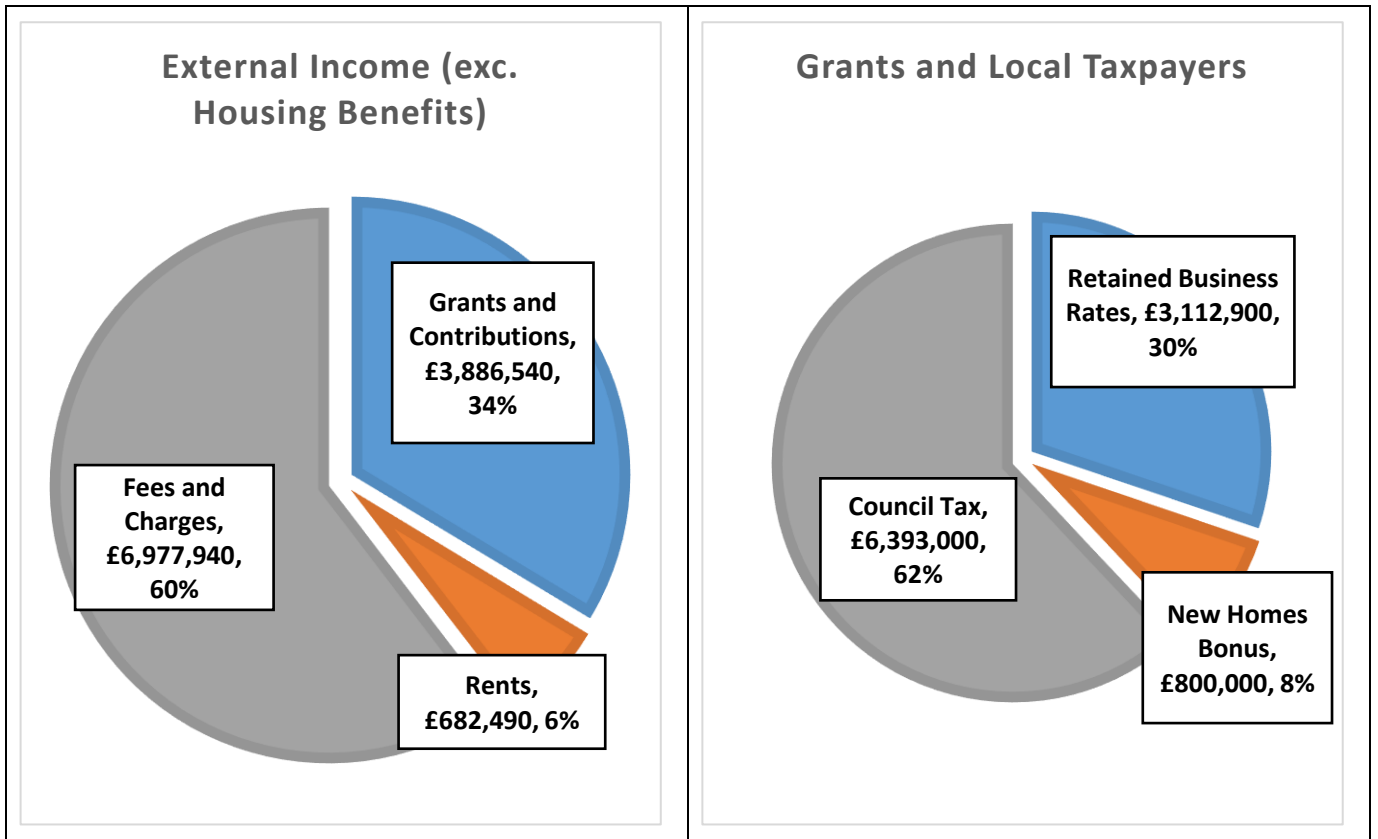
## Cabinet Member



## Type of Spend or Income



3.7. The Original Revenue Budget 2018/19 funding provided by External Income (with fees and charges details), Grants and Local Taxpayers (including Collection Fund Surpluses from previous years) is shown in detail at **APPENDIX A** and in summary below:



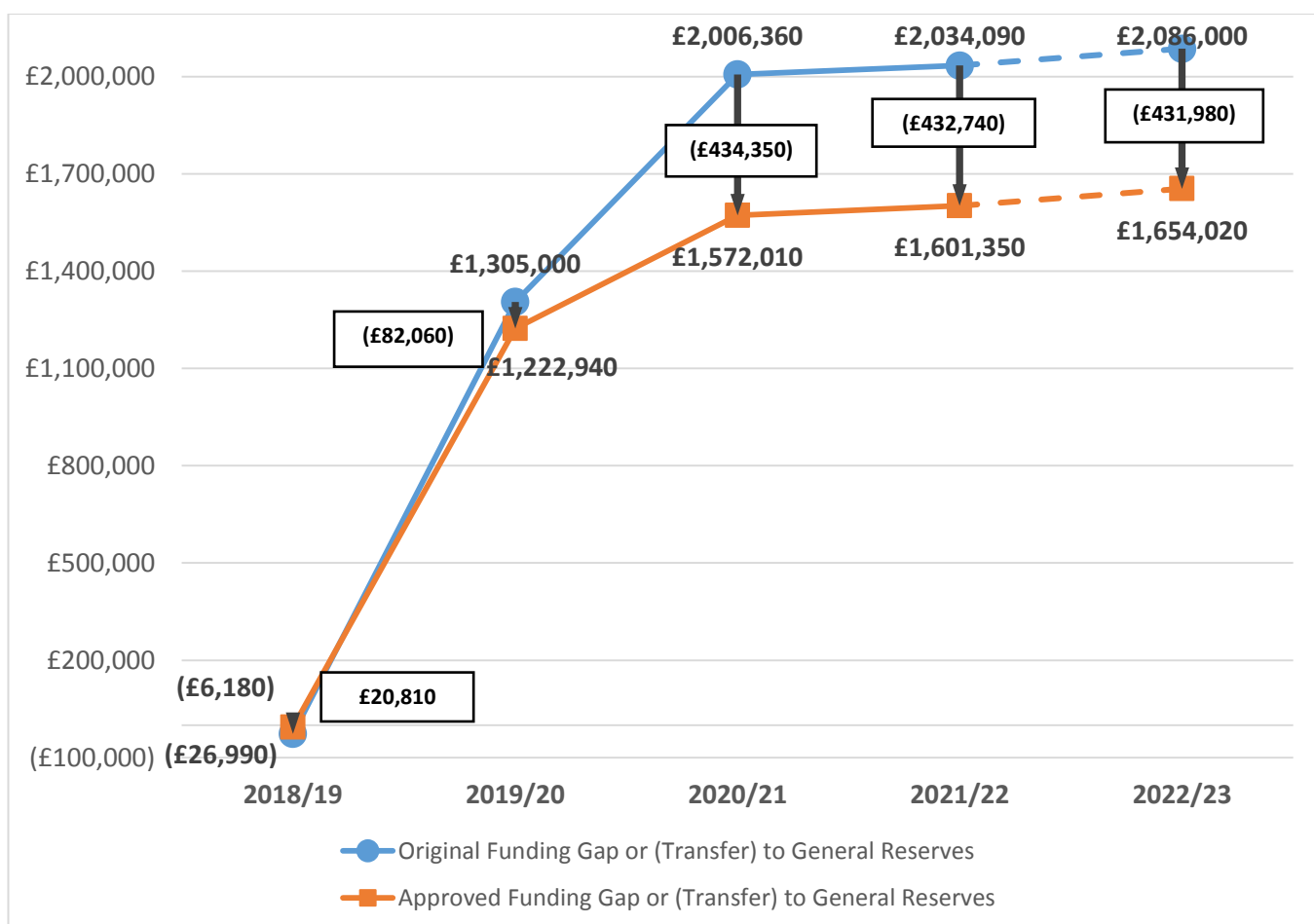
**The Revenue Budget Funding Gaps for 2019/20 to 2021/22 and projected for 2022/2023**

3.8. The Medium Term Financial Strategy identified Funding Gaps from 2019/20 onwards due to both cost pressures such as pay awards and budget pressures such as Local Plan reviews together with potential changes to the funding provided by Grants and Local Taxpayers.

3.9. The potential changes to funding provided by Grants and Local Taxpayers relates to:

- **New Homes Bonus** – the potential increase to the level at which no reward is paid for 2019/20 currently set at **0.4%** together with a review of the entire system from 2020/21 onwards.
- **Business Rates** – a review of the system to accommodate the move from **50%** to **75%** together with the system for allocating this funding to each Local Authority known as the Fair Funding Review. This will likely mean some redistribution of funding from District Councils to Councils with responsibility for Social Care and Children’s Services.

3.10. There have been a series of reports to Cabinet (and where necessary Council) detailed at **APPENDIX A** that have updated the Funding Gaps up to 2022/23:



3.11. The Finance Team and Budget Holders are currently reviewing detailed budgets and this will include updated projections for employee costs, other budget pressures such as Local Plan reviews and investment income due to the recent interest rate increase in August 2018.

3.12. The employee cost projections will include:

- The impact of maintaining some pay differential within the pay structure due to increasing the lower scale points to accommodate the National Living Wage.
- The level of pay award assumption from 2020/21 onwards currently of **1%** given the Government has now relaxed the public sector pay cap.

3.13. In addition, any changes projected in the 6 Months Money Matters Report to Cabinet on 4 December 2018 or the 8 Months Money Matters Report to Cabinet on 12 February 2019 have not yet been included.

## The Draft Capital Programme and its Revenue Implications

- 3.14. The Capital Programme is reviewed annually to take account of available resources and new and emerging capital investment needs that are identified by Capital Bids from Cabinet and Leadership Team.
- 3.15. The bidding process is focused on capital investment needs that require funding from Corporate Council Sources where the Council has choice in terms of the capital investment needs that are allocated funding.
- 3.16. The Revenue Funding Gaps mean that one of the aims when determining the draft Capital Programme must be to minimise and where possible reduce the impact on the Revenue Budget.
- 3.17. The approved Revenue Budget in 2018/19 and projected through to 2022/23 includes a revenue contribution of **(£154,000)** per annum.
- 3.18. A number of new projected capital receipts have been identified totalling **(£1,039,000)** from asset disposals related to the Mill Lane, Beacon Park Cottage, the sale of land at Leyfields and Netherstowe and a further share of Right to Buy Receipts.
- 3.19. Therefore the working assumption in drafting the Capital Programme is to remove this contribution from the Revenue Budget in the years 2019/20 to 2022/23.
- 3.20. The resources available (including existing capital receipts after commitments) total **(£2,031,000)** and are shown below:

	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	£000	£000	£000	£000	£000	£000
Revenue Budget	(154)					(154)
Existing Capital Receipts (after commitments)	(888)	50				(838)
New Capital Receipts	(1,003)	(9)	(9)	(9)	(9)	(1,039)
<b>Annual Total</b>	<b>(2,045)</b>	<b>41</b>	<b>(9)</b>	<b>(9)</b>	<b>(9)</b>	<b>(2,031)</b>

- 3.21. Cabinet and Leadership Team have identified 10 capital investment needs that require funding of **£1,702,000** excluding the Capital Bid for the Property Investment Strategy.
- 3.22. The Capital Bids exclude any additional capital investment needs for the Birmingham Road Site other than included for actual or committed spend for the Police Station, Coach Park and professional support. Initial investment need for the Birmingham Road Site would be funded from the existing earmarked reserve.
- 3.23. The Property Investment Strategy Bid includes a further **£13,000,000** for 2022/23 to be funded by borrowing resulting in a proposed total investment of **£58,000,000**.
- 3.24. The Capital Bids categorised by primary objective are summarised below:

	2018/19	2019/20	2020/21	2021/22	2022/23	Total
	£000	£000	£000	£000	£000	£000
<u>Capital Investment Bids</u>						
REGH - Accessible Homes (Disabled Facilities Grants)	22	198	44	44	44	352
LOPS - Vehicle Replacement Programme	0	0	0	210	0	210
LOPS - Shortbutts Park, Lichfield	0	20	0	0	0	20
LOPS - Stowe Pool Improvements	0	3	2	0	0	5
LOPS - Depot Sinking Fund	0	11	0	0	0	11
CORP - IT Innovation	112	137	110	50	50	459
CORP - IT Infrastructure	0	105	55	35	15	210
CORP - District Council House	0	73	53	74	110	310
<u>Invest to Save Capital Bids</u>						
LPDE - Property Investment Strategy	0	0	0	0	13,000	13,000
CORP - IT Cloud	0	25	100	0	0	125
Less : Borrowing for Property Investment Strategy	0	0	0	0	(13,000)	(13,000)
<b>Total Capital Bids</b>	<b>134</b>	<b>572</b>	<b>364</b>	<b>413</b>	<b>219</b>	<b>1,702</b>



- 3.25. The Capital Bids requiring Corporate Council Funding total **£1,702,000** can be funded from resources available of **(£2,031,000)** with **(£329,000)** remaining available to support other capital investment needs.
- 3.26. The full draft Capital Programme also includes capital investment needs funded from sources such as grants, contributions, Section 106, earmarked reserves, sinking funds and finance leases where the ability to use the funding for other needs is not available or is limited.
- 3.27. The full draft Capital Programme is summarised below and shown in detail at **APPENDIX B**:

Project	Draft Budget						Corporate £000
	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total £000	
Healthy & Safe Communities Clean, Green and Welcoming Places to Live	3,221	1,894	985	975	975	8,050	352
A Vibrant and Prosperous Economy	296	1,942	616	332	3,100	6,286	235
A Council that is Fit For the Future	2,373	50	0	0	0	2,423	2,232
<b>Grand Total</b>	<b>6,272</b>	<b>13,411</b>	<b>13,318</b>	<b>13,159</b>	<b>13,175</b>	<b>59,335</b>	<b>1,115</b>
<b>Grand Total</b>	<b>12,162</b>	<b>17,297</b>	<b>14,919</b>	<b>14,466</b>	<b>17,250</b>	<b>76,094</b>	<b>3,934</b>

Funding Source	Draft Budget						Total £000	76,094
	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total £000		
Usable Capital Receipts	2,237	577	334	413	219	3,780		
Revenue	154	0	0	0	0	154		
<b>Corporate Council Sources</b>	<b>2,391</b>	<b>577</b>	<b>334</b>	<b>413</b>	<b>219</b>	<b>3,934</b>		
External Grants and Contributions	1,102	1,863	1,358	931	931	6,185		
Section 106	992	178	43	25	0	1,238		
Earmarked Reserves	413	1,183	149	97	20	1,862		
Sinking Fund	232	3	0	0	0	235		
Finance Leases	0	140	25	0	3,080	3,245		
<b>Grand Total</b>	<b>5,130</b>	<b>3,944</b>	<b>1,909</b>	<b>1,466</b>	<b>4,250</b>	<b>16,699</b>		
<b>In Year FUNDING GAP (Borrowing Need)</b>	<b>7,032</b>	<b>13,353</b>	<b>13,010</b>	<b>13,000</b>	<b>13,000</b>	<b>59,395</b>		
<b>Cumulative FUNDING GAP (Borrowing Need)</b>	<b>8,976</b>	<b>21,971</b>	<b>34,251</b>	<b>46,150</b>	<b>57,676</b>	<b>57,676</b>		
<b>Available Capital Receipts</b>	<b>(1,836)</b>	<b>(1,268)</b>	<b>(943)</b>	<b>(539)</b>	<b>(329)</b>	<b>(329)</b>		

- 3.28. The Capital Bids, the Revenue Budget Contributions and other changes to projections for existing capital commitments for debt repayment and estimates of asset lives will impact on the Revenue Budget:

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total £000
<b>Approved Capital Programme Revenue Implications (excluding Earmarked Reserve Transfers)</b>	<b>314</b>	<b>351</b>	<b>214</b>	<b>214</b>	<b>184</b>	<b>1,277</b>
<u>Existing Capital Commitments</u>						
Chasewater and Friary Outer etc.	88	87	86	86	85	432
Leisure Outsourcing	(67)	(57)	(58)	(61)	(63)	(306)
<u>Invest to Save Capital Bids</u>						
LPDE - Property Investment Strategy	0	(56)	(180)	(303)	(427)	(966)
CORP - IT Cloud	30	50	(30)	(100)	(150)	(200)
<u>Revenue Funding</u>						
Revenue Budget	154	0	0	0	0	154
<b>Draft Capital Programme Revenue Implications</b>	<b>205</b>	<b>24</b>	<b>(182)</b>	<b>(378)</b>	<b>(555)</b>	<b>(886)</b>
<b>Change to Revenue Implications</b>	<b>(109)</b>	<b>(327)</b>	<b>(396)</b>	<b>(592)</b>	<b>(739)</b>	<b>(2,163)</b>

### Cabinet and Leadership Team's Proposals for closing the Revenue Budget Funding Gaps

3.29. Cabinet and Leadership Team have identified options and proposals for reducing and closing the projected Funding Gaps and these are shown in detail by Cabinet Portfolio at **APPENDIX C** and in summary below:

	2018/19	2019/20	2020/21	2021/22	2022/23
Capital Programme	(£109,000)	(£327,000)	(£396,000)	(£592,000)	(£739,000)
Economic Growth	(£13,340)	(£45,680)	(£46,030)	(£46,890)	(£47,740)
Finance and Democracy	£0	(£89,790)	(£90,480)	(£95,680)	(£111,210)
Operational Services, Leisure & Waste	(£170,180)	(£227,760)	(£178,240)	(£50,440)	£20,760
Corporate & Customer Services, Revenues & Benefits	(£16,660)	(£75,460)	(£84,660)	(£87,860)	(£94,060)
Regulatory Services, Housing and Wellbeing	£0	(£5,000)	(£29,500)	(£58,000)	(£58,000)
<b>Total</b>	<b>(£309,180)</b>	<b>(£770,690)</b>	<b>(£824,910)</b>	<b>(£930,870)</b>	<b>(£1,029,250)</b>

3.30. The options and proposals are also shown by Fit for the Future Stream:

	2018/19	2019/20	2020/21	2021/22	2022/23
Capital Programme	(£109,000)	(£327,000)	(£396,000)	(£592,000)	(£739,000)
Innovate	(£53,610)	(£203,270)	(£217,140)	(£149,260)	(£152,420)
Income	(£160,110)	(£257,070)	(£228,420)	(£206,260)	(£154,480)
Invest	£13,540	£16,650	£16,650	£16,650	£16,650
<b>Total</b>	<b>(£309,180)</b>	<b>(£770,690)</b>	<b>(£824,910)</b>	<b>(£930,870)</b>	<b>(£1,029,250)</b>

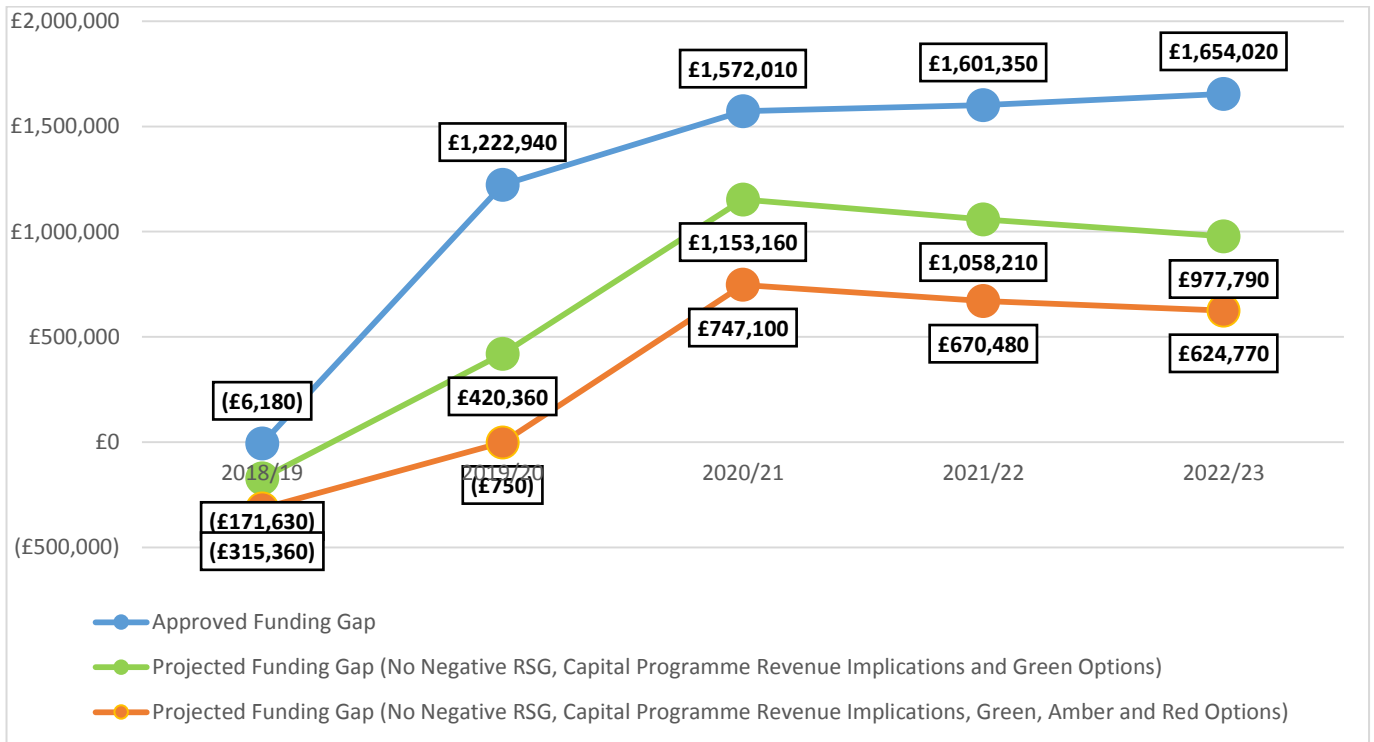
3.31. The proposals identified have been assigned a deliverability rating:

- **Green** - confident that the savings / income will be delivered as planned, without disproportionate risks.
- **Amber** - confident that the savings / income can be delivered, but there are some risks.
- **Red** – potential savings / income to be realised in the medium term, but there are some significant risks, and further analysis and planning needs to be undertaken.

3.32. A summary of the proposals by deliverability rating and their impact on the Funding Gap is shown below:

	2018/19	2019/20	2020/21	2021/22	2022/23
<b>Approved Funding Gap</b>	<b>(£6,180)</b>	<b>£1,222,940</b>	<b>£1,572,010</b>	<b>£1,601,350</b>	<b>£1,654,020</b>
No Negative Revenue Support Grant		(£453,000)			
Capital Programme Revenue Implications	(£109,000)	(£327,000)	(£396,000)	(£592,000)	(£739,000)
Deliverability - Assessed as <b>Green</b>	(£56,450)	(£22,580)	(£22,850)	£48,860	£62,770
<b>Projected Funding Gap</b>	<b>(£171,630)</b>	<b>£420,360</b>	<b>£1,153,160</b>	<b>£1,058,210</b>	<b>£977,790</b>
Deliverability - Assessed as <b>Amber</b>	(£143,730)	(£246,990)	(£205,940)	(£162,610)	(£110,900)
Deliverability - Assessed as <b>Red</b>	£0	(£174,120)	(£200,120)	(£225,120)	(£242,120)
<b>Projected Funding Gap</b>	<b>(£315,360)</b>	<b>(£750)</b>	<b>£747,100</b>	<b>£670,480</b>	<b>£624,770</b>

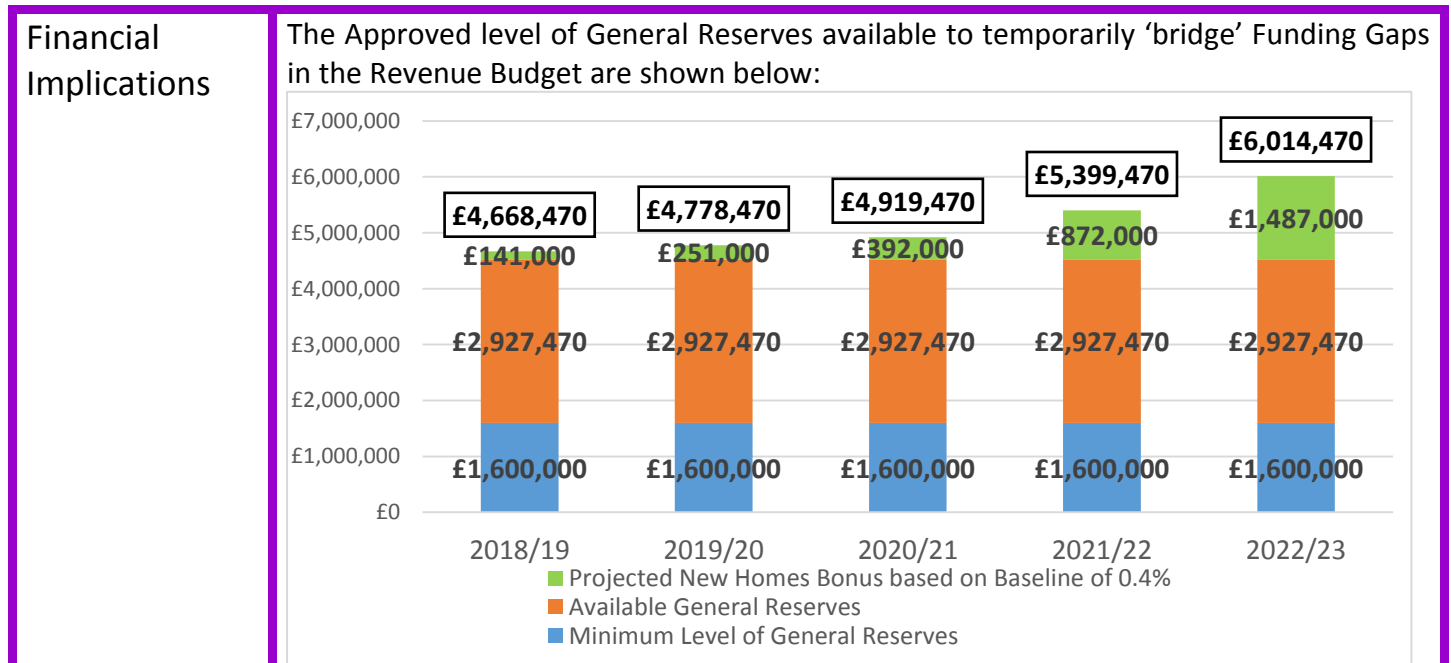
3.33. The projected Funding Gaps resulting from the implementation of different options based on deliverability rating are also shown in the chart below:



3.34. At present, even with all proposals identified there would still be a Funding Gap in the Revenue Budget from 2020/21 onwards. It is likely that additional savings will be realised through emerging projects identified and delivered as part of the Fit for Future Programme. However should further proposals not be identified, this would necessitate the use of General Reserves to achieve a balanced budget.

Alternative Options	Strategic (Overview and Scrutiny) Committee is requested to scrutinise the proposals submitted and also identify alternative proposals that could be considered by Cabinet.
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Consultation	<ol style="list-style-type: none"> <li>The Council commenced a Budget Consultation that will run from 19 October 2018 to 21 November 2018.</li> <li>The results will be presented to this Committee on 29 January 2019 as part of the development of the Medium Term Financial Strategy 2018-2023.</li> </ol>
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Contribution to the Delivery of the Strategic Plan	The report directly links to overall performance and especially the delivery of Lichfield District Council's Strategic Plan 2016-20 and beyond.
Equality, Diversity and Human Rights Implications	These areas are addressed as part of the specific areas of activity prior to being included in Lichfield District Council's Strategic Plan 2016-20.
Crime & Safety Issues	These areas are addressed as part of the specific areas of activity prior to being included in Lichfield District Council's Strategic Plan 2016-20.
GDPR/Privacy Impact Assessment	These areas are addressed as part of the specific areas of activity prior to being included in Lichfield District Council's Strategic Plan 2016-20.

	Risk Description	How We Manage It	Severity of Risk (RYG)
A	Council Tax is not set by the Statutory Date of <b>11 March 2019</b> .	Full Council set with reference to when major preceptors and Parishes have approved their Council Tax Requirements.	Green - Tolerable
B	Planned Capital Receipts are not received.	The budget for capital receipts will be monitored as part of The Council's normal budget monitoring procedures.	Green - Tolerable
C	Achievement of The Council's key Council priorities.	Close monitoring of performance and expenditure; maximising the potential of efficiency gains; early identification of any unexpected impact on costs including Central Government Policy changes, movement in the markets, and changes in the economic climate.	Green - Tolerable
D	Implementation of the Check, Challenge and Appeal Business Rates Appeals and more frequent revaluations.	To closely monitor the level of appeals. An allowance of <b>4.7%</b> (in line with the DCLG Allowance) for appeals has been included in the Business Rate Estimates.	Red - Severe
E	The financial impact of changes to the New Homes Bonus regime.	The technical consultation for the 2019/20 settlement has indicated there will be an increase in the baseline of <b>0.4%</b> used for 2019/20 and alternatives will be explored to incentivise housing growth most effectively from 2020/21 onwards.	Red - Severe
F	The Regulatory Requirements related to Commercial Property Investment change and mean the Property Investment Strategy cannot be delivered	To assess the implications of proposed changes and respond to consultations to attempt to influence the policy direction in the Council's favour.	Amber - Material
G	The increased Localisation of Business Rates and the Fair Funding Review in 2020/2021.	To assess the implications of proposed changes and respond to consultations to attempt to influence the policy direction in the Council's favour.	Red - Severe

- Background documents**
- Money Matters: Medium Term Financial Strategy (Revenue and Capital) 2017-22 – Cabinet 13 February 2018.
  - Friarsgate – Coach Park Land Acquisition – Cabinet 13 February 2018.
  - Award of Insurance Contract – Cabinet 13 March 2018.
  - Managing the end of the ICT Support Contract – Cabinet 1 May 2018.
  - Friarsgate – Cabinet 12 June 2018.
  - Money Matters: 2017/18 Review of Financial Performance against the Financial Strategy – Cabinet 12 June 2018.
  - Money Matters: 2018/19 Review of Financial Performance against the Financial Strategy – Cabinet 4 September 2018.
  - Delivering the Property Investment Strategy – Cabinet 4 September 2018 and Council 16 October 2018.
  - Medium Term Financial Strategy (Revenue and Capital) 2018-23 (MTFS) – Cabinet 9 October 2018.
  - Capital Programme Bids.

**Relevant web links**

## The Original Revenue Budget 2018/19

Strategic Priority		
	2018/19	%
A vibrant and prosperous economy	(£652,350)	(6%)
Healthy and Safe Communities	£1,808,850	18%
Clean, green and welcoming places to live	£3,427,580	33%
A Council that is fit for the future	£6,281,510	61%
Efficiency Plan	(£71,180)	(1%)
<b>Net Cost of Services</b>	<b>£10,794,410</b>	<b>105%</b>
Treasury and Capital	£258,860	3%
<b>Net Operating Cost</b>	<b>£11,053,270</b>	<b>107%</b>
Earmarked Reserves	(£774,360)	(8%)
General Reserves	£26,990	0%
<b>Amount from Grants and Local Taxpayers</b>	<b>£10,305,900</b>	<b>100%</b>

Cabinet Member		
	2018/19	%
Economic Growth	£144,230	1%
Leader	£776,460	8%
Regulatory Services, Housing and Wellbeing	£1,264,250	12%
Finance and Democracy	£1,131,460	11%
Corporate & Customer Services, Revenues & Benefits	£3,286,300	32%
Operational Services, Leisure & Waste	£3,321,510	32%
Past Service Element of Pensions	£941,380	9%
Efficiency Plan	(£71,180)	(1%)
<b>Net Cost of Services</b>	<b>£10,794,410</b>	<b>105%</b>
Treasury and Capital	£258,860	3%
<b>Net Operating Cost</b>	<b>£11,053,270</b>	<b>107%</b>
Earmarked Reserves	(£774,360)	(8%)
General Reserves	£26,990	0%
<b>Amount from Grants and Local Taxpayers</b>	<b>£10,305,900</b>	<b>100%</b>

Expenditure and Income Type		
	2018/19	%
Employees	£11,976,040	116%
Premises	£970,260	9%
Transport	£1,574,610	15%
Supplies and Services	£6,766,790	66%
Third Party Payments	£1,053,680	10%
External Income (exc Housing Benefits)	(£11,546,970)	(112%)
<b>Net Cost of Services</b>	<b>£10,794,410</b>	<b>105%</b>
Treasury and Capital	£258,860	3%
<b>Net Operating Cost</b>	<b>£11,053,270</b>	<b>107%</b>
Earmarked Reserves	(£774,360)	(8%)
General Reserves	£26,990	0%
<b>Amount from Grants and Local Taxpayers</b>	<b>£10,305,900</b>	<b>100%</b>

External Income, Grants and Local Taxpayers			
	2018/19	% This Income	% Total Income
Grants and Contributions	(£3,886,540)	34%	18%
Rents	(£682,490)	6%	3%
Fees and Charges	(£6,977,940)	60%	32%
<b>External Income</b>	<b>(£11,546,970)</b>	<b>100%</b>	<b>53%</b>

	2018/19	% This Income	% Total Income
Retained Business Rates	(£3,112,900)	30%	14%
New Homes Bonus	(£800,000)	8%	4%
Council Tax	(£6,393,000)	62%	29%
<b>Grants and Local Taxpayers</b>	<b>(£10,305,900)</b>	<b>100%</b>	<b>47%</b>

<b>Total Income</b>	<b>(£21,852,870)</b>	<b>100%</b>
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### Approved Changes to the Revenue Budget

Details	Cabinet Meeting	Approved Budget				Projection
		2018/19	2019/20	2020/21	2021/22	2022/23
<b>Original Funding Gap or (Transfer) to General Reserves</b>		<b>(26,990)</b>	<b>1,305,000</b>	<b>2,006,360</b>	<b>2,034,090</b>	<b>2,086,000</b>
Friarsgate - Coach Land Acquisition	13/02/2018	(12,250)	(24,280)	(24,050)	(23,810)	(23,810)
Award of Insurance Contract	13/03/2018	(36,970)	(38,620)	(40,360)	(40,360)	(40,360)
Managing the end of the ICT support contract	01/05/2018	34,000	(58,000)	(55,000)	(56,000)	(56,000)
Friarsgate	12/06/2018	0	0	(353,780)	(324,180)	(323,420)
Money Matters Financial Performance 3 Months 2018/19	04/09/2018	36,030	38,840	38,840	11,610	11,610
<b>Approved Funding Gap or (Transfer) to General Reserves</b>		<b>(6,180)</b>	<b>1,222,940</b>	<b>1,572,010</b>	<b>1,601,350</b>	<b>1,654,020</b>

## The Full Draft Capital Programme 2018 to 2023

Project	Draft Budget						
	(R=>£500k, A= £250k to £500k and G = <£250k)						
	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total £000	Corporate £000
LOPS - BLC Enhancement Work	232	3	0	0	0	235	0
LOPS - Friary Grange Capital Works	50	0	0	0	0	50	0
LOPS - Leisure Review: Capital Investment	1,032	353	10	0	0	1,395	0
ECON - Renovation and Replacement of Play Eq.	71	0	0	0	0	71	0
ECON - New Build Parish Office/Community Hub	92	0	0	0	0	92	0
ECON - Fradley Village Heating & CCTV	15	0	0	0	0	15	0
ECON - Fradley Youth & Community Centre	15	0	0	0	0	15	0
ECON - Replacement of children's play equipment	21	0	0	0	0	21	0
ECON - Armitage with Handsacre Village Hall	20	0	0	0	0	20	0
ECON - Armitage with Handsacre Village Hall	16	0	0	0	0	16	0
ECON - Re-siting of Armitage War Memorial	120	0	0	0	0	120	0
ECON - Replacement of canopy and artificial grass	13	0	0	0	0	13	0
REGH - Disabled Facilities Grants	1,028	1,104	950	950	950	4,982	352
REGH - Home Repair Assistance Grants	15	15	15	15	15	75	0
REGH - Decent Homes Standard	0	197	0	0	0	197	0
REGH - Energy Insulation Programme	41	10	10	10	10	81	0
REGH - Housing Monies	0	212	0	0	0	212	0
REGH - Unallocated S106 Affordable Housing	400	0	0	0	0	400	0
REGH - Housing Redevelopment Scheme	40	0	0	0	0	40	0
<b>Healthy &amp; Safe Communities Total</b>	<b>3,221</b>	<b>1,894</b>	<b>985</b>	<b>975</b>	<b>975</b>	<b>8,050</b>	<b>352</b>
LOPS - Darnford Park (S106)	0	13	0	0	0	13	0
LPDE - Loan to Council Development Company	0	900	0	0	0	900	0
ECON - Canal Towpath Improvements	105	106	0	0	0	211	0
WC - Vehicle Replacement Programme	0	140	25	0	3,100	3,265	0
LOPS - Vehicle Replacement Programme	138	178	119	307	0	742	210
LOPS - Shortbutts Park, Lichfield	0	23	0	0	0	23	20
ECON - Env. Improvements - Upper St John St	7	0	0	0	0	7	0
LOPS - Stowe Pool Improvements	0	550	450	0	0	1,000	5
ECON - The Leomansley Area Improvement Project	3	0	0	0	0	3	0
ECON - Cannock Chase SAC	43	32	22	25	0	122	0
<b>Clean, Green and Welcoming Places to Live Total</b>	<b>296</b>	<b>1,942</b>	<b>616</b>	<b>332</b>	<b>3,100</b>	<b>6,286</b>	<b>235</b>
REGH - Data Management System	11	0	0	0	0	11	0
ECON - Birmingham Road Site Support	179	0	0	0	0	179	179
ECON - Birmingham Road Site - Coach Park	243	0	0	0	0	243	243
ECON - Birmingham Road Site - Police Station	1,805	0	0	0	0	1,805	1,676
ECON - Sankey's Corner Environmental Imp	3	0	0	0	0	3	0
ECON - City Centre Strategy and Interpretation	2	0	0	0	0	2	0
ECON - Car Parks Variable Message Signing	32	0	0	0	0	32	0
ECON - Old Mining College - Refurbish access	14	0	0	0	0	14	0
ECON - Lichfield Festival Parade and Website	14	0	0	0	0	14	14
ECON - St Mary's Cultural Hub	45	0	0	0	0	45	45
ECON - Erasmus Darwin Lunar Legacy	25	0	0	0	0	25	25
ECON - St. Chads Sculpture	0	50	0	0	0	50	50
<b>A Vibrant and Prosperous Economy Total</b>	<b>2,373</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,423</b>	<b>2,232</b>
LPDE - Property Investment Strategy	6,000	13,000	13,000	13,000	13,000	58,000	0
LOPS - Depot Sinking Fund	0	11	0	0	0	11	11
CORP - IT Innovation	187	167	110	50	50	564	564
CORP - IT Infrastructure	0	105	55	35	15	210	105
CORP - IT Cloud	0	25	100	0	0	125	125
CORP - District Council House	85	103	53	74	110	425	310
<b>A Council that is Fit For the Future Total</b>	<b>6,272</b>	<b>13,411</b>	<b>13,318</b>	<b>13,159</b>	<b>13,175</b>	<b>59,335</b>	<b>1,115</b>
<b>Grand Total</b>	<b>12,162</b>	<b>17,297</b>	<b>14,919</b>	<b>14,466</b>	<b>17,250</b>	<b>76,094</b>	<b>3,934</b>

## APPENDIX B

Project	Draft Budget (R=>£500k, A= £250k to £500k and G = <£250k)						Corporate £000
	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total £000	

Funding Source	Draft Budget						Total £000	76,094
	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total £000		
Usable Capital Receipts	2,237	577	334	413	219	3,780		
Revenue	154	0	0	0	0	154		
<b>Corporate Council Sources</b>	<b>2,391</b>	<b>577</b>	<b>334</b>	<b>413</b>	<b>219</b>	<b>3,934</b>		
External Grants and Contributions	1,102	1,863	1,358	931	931	6,185		
Section 106	992	178	43	25	0	1,238		
Earmarked Reserves	413	1,183	149	97	20	1,862		
Sinking Fund	232	3	0	0	0	235		
Finance Leases	0	140	25	0	3,080	3,245		
<b>Grand Total</b>	<b>5,130</b>	<b>3,944</b>	<b>1,909</b>	<b>1,466</b>	<b>4,250</b>	<b>16,699</b>		
<b>In Year FUNDING GAP (Borrowing Need)</b>	<b>7,032</b>	<b>13,353</b>	<b>13,010</b>	<b>13,000</b>	<b>13,000</b>	<b>59,395</b>		
<b>Cumulative FUNDING GAP (Borrowing Need)</b>	<b>8,976</b>	<b>21,971</b>	<b>34,251</b>	<b>46,150</b>	<b>57,676</b>	<b>57,676</b>		
<b>Available Capital Receipts</b>	<b>(1,836)</b>	<b>(1,268)</b>	<b>(943)</b>	<b>(539)</b>	<b>(329)</b>	<b>(329)</b>		

### Capital Receipts

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	Total £000
<b>Opening Balance</b>	<b>(3,070)</b>	<b>(1,836)</b>	<b>(1,268)</b>	<b>(943)</b>	<b>(539)</b>	<b>(3,070)</b>
<u>New Receipts</u>						
Sale of Mill Lane Link, Fazeley	(100)					(100)
Sale of Beacon Cottage	(200)					(200)
Sale of land at Netherstowe and Leyfields	(527)					(527)
Right to Buy Receipts	(167)					(167)
Release of Covenant Guardian House						0
Other Receipts	(9)	(9)	(9)	(9)	(9)	(45)
Utilised in Year	2,237	577	334	413	219	3,780
<b>Closing Balance</b>	<b>(1,836)</b>	<b>(1,268)</b>	<b>(943)</b>	<b>(539)</b>	<b>(329)</b>	<b>(329)</b>

Corporate Funding Relates to:

- Capital Commitments for Birmingham Road Site and Lichfield Arts Fund of **£2,232,000**.
- Capital Bids **£1,702,000**.

The Loan to the Council owned Development Company is currently assumed to be funded by earmarked reserves in 2019/20 although this could change when the Medium Term Financial Strategy is finalised to reflect the funding sources identified.



## Funding Gap Proposals (By Cabinet Portfolio)

Initiatives	F4F Innovate / Income / Invest	Deliverability  RAG (see below)	2018/19	2019/20	2020/21	2021/22	2022/23
			Indicative (Savings), Costs or (Income)				
<b>Capital Programme Revenue Implications</b>							
<b>Invest to Save Capital Bids</b>							
CORP - IT Cloud			£30,000	£50,000	(£30,000)	(£100,000)	(£150,000)
LPDE - Property Investment Strategy			(£125,000)	(£225,000)	(£180,000)	(£304,000)	(£427,000)
<b>Existing Capital Commitments</b>							
Chasewater and Friary Outer etc.			(£12,000)	(£7,000)	(£39,000)	(£39,000)	(£10,000)
LOPS - Leisure Review: Capital Investment			(£2,000)	£9,000	£7,000	£5,000	£2,000
Remove revenue contributions to Capital			£0	(£154,000)	(£154,000)	(£154,000)	(£154,000)
<b>Sub Total</b>			<b>(£109,000)</b>	<b>(£327,000)</b>	<b>(£396,000)</b>	<b>(£592,000)</b>	<b>(£739,000)</b>
<b>Economic Growth</b>							
Introduce fees and charges for the Visit Lichfield website, introduce various tours and advertising	Income	Green	£150	(£7,040)	(£7,190)	(£7,830)	(£8,470)
Increase pre-app charges for planning applications, including the use of Planning Performance Agreements PPA).	Income	Green	(£10,000)	(£10,000)	(£10,000)	(£10,000)	(£10,000)
Recovery of HS2 costs. In accordance with the Memorandum of Understanding and SLA, HS2 have committed to repay costs associated with handling planning applications and pre-application advice, together with attendance at Planning Forum.	Income	Green	(£6,000)	(£10,000)	(£10,000)	(£10,000)	(£10,000)
Spatial Planning Income used to fund Major Project Team	Income	Green	£0	£7,000	£7,000	£7,000	£7,000
Use of vacant benefit assessor's post for funding Major Projects Team	Invest	Green	£13,540	£16,650	£16,650	£16,650	£16,650
Regrading of Ecology Officer post to Assistant level. This is subject to Job Evaluation.	Innovate	Amber	(£4,530)	(£4,040)	(£4,090)	(£4,160)	(£4,210)
Recover costs from The Bower of loss of car parking income for use of Bird Street Car Park	Income	Amber	£0	(£6,000)	(£6,000)	(£6,000)	(£6,000)
Negotiate a reduction in the cost of the shared economic development service arrangement with Tamworth BC	Innovate	Amber	£0	(£5,000)	(£5,000)	(£5,000)	(£5,000)
Charging for entry onto the Council's Self-Build Register.	Income	Amber	(£750)	(£1,500)	(£1,500)	(£1,500)	(£1,500)
Charging for advice to stakeholders on policy matters reflecting similar charging regimes operated elsewhere.	Income	Amber	(£5,750)	(£11,500)	(£11,500)	(£11,500)	(£11,500)
Introduce energy efficient lighting in Lombard Street and Birmingham Road car parks	Innovate	Amber	£0	(£250)	(£250)	(£250)	(£250)
Facilitating small workshops and networking events and charging for no shows at events	Income	Amber	£0	(£270)	(£270)	(£270)	(£270)
Implementation of the Easytreez tree management system for the Arboriculture Service from 2019/20.	Innovate	Amber	£0	(£13,730)	(£13,880)	(£14,030)	(£14,190)
<b>Sub Total</b>			<b>(£13,340)</b>	<b>(£45,680)</b>	<b>(£46,030)</b>	<b>(£46,890)</b>	<b>(£47,740)</b>

**APPENDIX C**

Initiatives	F4F Innovate / Income / Invest	Deliverability  RAG (see below)	2018/19	2019/20	2020/21	2021/22	2022/23
			Indicative (Savings), Costs or (Income)				
<b>Finance and Democracy</b>							
Procurement Service with Wolverhampton MBC	Innovate	Green	£0	£53,180	£53,240	£53,290	£53,340
Invest £2m in the new Diversified Income Fund	Income	Amber	£0	(£50,000)	(£50,000)	(£50,000)	(£50,000)
Exploiting the Estate Fee Income	Income	Amber	£0	(£4,000)	(£4,000)	(£8,000)	(£8,000)
Democratic Services	Income	Amber	£0	(£1,000)	(£1,500)	(£2,000)	(£2,080)
Review of elections costs	Innovate	Amber	£0	(£1,000)	(£1,250)	(£2,000)	(£2,500)
Procurement Savings from new arrangement with Wolverhampton MBC (1% per annum)	Innovate	Red	£0	(£86,970)	(£86,970)	(£86,970)	(£86,970)
Review the Shared Financial System arrangement with Solihull MBC (20%)	Innovate	Red	£0	£0	£0	£0	(£15,000)
<b>Sub Total</b>			<b>£0</b>	<b>(£89,790)</b>	<b>(£90,480)</b>	<b>(£95,680)</b>	<b>(£111,210)</b>
<b>Operational Services, Leisure &amp; Waste</b>							
Consider the level of Arts Development provision	Innovate	Green	(£2,780)	(£17,010)	(£17,190)	(£17,190)	(£17,190)
Consider a reduction in Seasonal Bedding Plants	Innovate	Green	£0	(£4,000)	(£4,000)	(£4,000)	(£4,000)
Saving on the administration of the chargeable garden waste service (Not yet finalised)	Innovate	Green	(£34,700)	(£34,700)	(£34,700)	(£34,700)	(£34,700)
Additional collection infrastructure required to serve new housing developments	Innovate	Green	£0	£0	£0	£72,300	£86,800
Grounds Maintenance Commercialisation - alternative delivery models for grounds maintenance services and opportunities for commercial growth - must be considered with waste review.	Income	Amber	To be identified				
Beacon Park Pitch & Putt/Golf Course - consider options including outsource and closure	Innovate	Amber	To be identified				
Consider closure of Friary Grange Leisure Centre	Innovate	Amber	To be identified				
Increase in income from the chargeable garden waste service. 50% uptake target.	Income	Amber	(£78,100)	(£78,100)	(£78,100)	(£78,100)	(£78,100)
Tapering of the reduction in the recycling credit. Based on collecting 12,000 tonnes	Income	Amber	(£176,100)	(£146,300)	(£90,800)	(£35,300)	£21,400
Saving on dealing with unwanted garden waste bins.	Innovate	Amber	(£11,600)	(£11,600)	(£17,400)	(£17,400)	(£17,400)
Reduction in collection infrastructure savings for garden waste service as uptake is higher	Income	Amber	£46,300	£46,300	£46,300	£46,300	£46,300
Increase in gate fee for the disposal of dry recyclate due to Chinese export ban - subject to dispute	Income	Amber	£86,800	£86,800	£86,800	£86,800	£86,800
Closure of Public Conveniences and Shopmobility Services	Innovate	Red	£0	(£69,150)	(£69,150)	(£69,150)	(£69,150)
<b>Sub Total</b>			<b>(£170,180)</b>	<b>(£227,760)</b>	<b>(£178,240)</b>	<b>(£50,440)</b>	<b>£20,760</b>

**APPENDIX C**

Initiatives	F4F Innovate / Income / Invest	Deliverability  RAG (see below)	2018/19	2019/20	2020/21	2021/22	2022/23
			Indicative (Savings), Costs or (Income)				
<b>Corporate &amp; Customer Services, Revenues &amp; Benefits</b>							
Delete vacant benefit assessor's post	Income	Green	(£16,660)	(£16,660)	(£16,660)	(£16,660)	(£16,660)
Reviewing the approach on Council Tax charges for empty properties	Income	Amber	£0	(£34,600)	(£34,600)	(£34,600)	(£34,600)
Ebilling and ebenefit notification	Income	Amber	£0	(£2,200)	(£4,400)	(£6,600)	(£8,800)
Sharing Insurance expertise	Income	Amber	£0	(£5,000)	(£5,000)	(£5,000)	(£5,000)
Extending the services of the new corporate service desk	Innovate	Amber	£0	(£4,000)	(£5,000)	(£6,000)	(£8,000)
Applying penalties for failure to declare changes in circumstances	Income	Red	£0	(£7,000)	(£7,000)	(£7,000)	(£7,000)
Northgate Revenues and Benefits Fundamental Review	Innovate	Red	£0	To be identified			
Information Management	Income	Red	£0	(£1,000)	(£3,000)	(£3,000)	(£5,000)
Facilities Management review	Innovate	Red	£0	(£4,000)	(£8,000)	(£8,000)	(£8,000)
HR shared service	Innovate	Red	£0	(£1,000)	(£1,000)	(£1,000)	(£1,000)
<b>Sub Total</b>			<b>(£16,660)</b>	<b>(£75,460)</b>	<b>(£84,660)</b>	<b>(£87,860)</b>	<b>(£94,060)</b>
<b>Regulatory Services, Housing and Wellbeing</b>							
Increase the uptake of Discretionary Housing Payments reducing the Council's liability for underwriting Homelessness prevention loans.	Innovate	Amber	£0	£0	(£2,500)	(£5,000)	(£5,000)
Consider introducing charging for non-statutory services such as Food Safety advice.	Income	Amber	£0	£0	(£2,000)	(£3,000)	(£3,000)
Consider the establishment of a community lottery.	Income	Red	£0	(£5,000)	(£25,000)	(£50,000)	(£50,000)
<b>Sub Total</b>			<b>£0</b>	<b>(£5,000)</b>	<b>(£29,500)</b>	<b>(£58,000)</b>	<b>(£58,000)</b>
<b>TOTAL</b>			<b>(£309,180)</b>	<b>(£770,690)</b>	<b>(£824,910)</b>	<b>(£930,870)</b>	<b>(£1,029,250)</b>

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## Our approach to digitisation: progress report

Cllr Liz Little, Cabinet Member for Corporate Services & Customer Services, Revenues and Benefits



Date:	22 November 2018
Contact Officer:	Neil Turner, Director of Transformation & Resources Christie Tims, Head of Corporate Services Elizabeth Barton, Corporate Communications and Performance Manager
Tel Number:	01543 308761
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Key Decision?	NO
Local Ward Members	None – not geographically specific

**Strategic (O&S)  
Committee**

## 1. Executive Summary

- 1.1 The committee received a report and presentation in November 2017 that outlined the council’s emerging approach to channel shift and digitisation, in line with the council’s Strategic Plan 2016 – 2020 ambitions.
- 1.2 The council’s Strategic Plan sets out our ambition to become a council that is ‘fit for the future’. This includes:
  - Making top services fully bookable online and so easy to use that people go online as a first port of call.
  - Increasing productivity and efficiency through fast and fundamental Fit for the Future reviews.
  - To deliver good customer services and to develop innovative approaches to generate income.
- 1.3 The paper described five strategic projects that had been identified to deliver the above ambitions, as part of a new digitisation programme, including a new CRM system, an online revenues and benefits system, a line of business system for environmental health, a committee management system and the introduction of online direct debits.
- 1.4 The committee also noted that a cross-departmental officer working group had been established to provide direction and drive forward the programme, and that it had adopted a vision: **‘One customer, one council, one good experience’** and a number of principles to inform investment and development decisions.
- 1.5 These principles include:
  - Consistent customer experience – no matter what system.
  - It’s easy for our customers to deal with us.
  - We recognise what good looks like and strive for it.
  - We maintain our independence/fleetness of foot to deliver.
  - We target resources at the best possible solutions.
  - We aim to minimise the amount of times we handle data – and errors.
  - We deal with a limited number of solutions providers that take messages from customers to back end systems and back again.
  - Our system choices drive real savings – we buy cleverly and purchase at the best price.
  - Our approach leaves time to deal with the customers who need more help.
- 1.6 The committee has also established an Innovation Task Group, which has embraced the opportunity to be involved in customer testing and has fed into testing of the new garden waste online form, bulky waste, scrap metal, additional blue bins, assisted collections, replacement bins and the new online revenues and benefits system. This feedback has helped to shape the processes and ensure they are more customer friendly/usable.

- 1.7 This paper provides an update on our work to deliver channel shift and digitisation and outlines the progress that has been made in delivering the five strategic projects. It also explains how this work dovetails into the council's emerging Digital Strategy, set to be considered by Cabinet in December 2018.
- 1.8 It also describes how this work will continue, and the need for ongoing input from the Innovation Task Group to test new customer facing online processes as they are developed - ranging from new street scene processes (abandoned vehicle reporting, graffiti reporting etc in the new year), through to new environmental health processes and new street trading processes early/mid 2019.
- 1.9 The identification of processes to be digitised – and their priority for delivery - is informed by the Fit for the Future programme and its reviews into services / systems. Only where a process is strategically important, where the volumes are high, and there is the real prospect of return on investment because we are able to drive out inefficiency, increase income or improve the customer experience is it being prioritised for digitisation.

## 2. Recommendations

### It is recommended that the committee:

- 2.1 Notes the contents of the report.
- 2.2 Notes the need for ongoing input from the Innovation Task Group to test new emerging customer facing online processes.
- 2.3 Considers the membership of the Innovation Task Group to ensure members still have the capacity to contribute, given recent council changes.

## 3. Background

### Progress on the five strategic projects

- 3.1 Five strategic projects were identified at the start of the programme. Attached at **Appendix A** is detail regarding each of the 5 strategic projects, what they will do, progress and anticipated benefits. Headline progress is detailed below:

Project	Current status
<p>Introduce a new customer account, online forms, CRM (customer relationship management) system and key integrations with property, payments and waste systems.</p> <p>(Cabinet approval – July 2017)</p>	<ul style="list-style-type: none"> <li>• A new CRM system, customer account and online forms package (Jadu) has been launched.</li> <li>• The system now supports all customer contacts in waste, including garden waste and requests for additional or replacement bins, bulky and scrap metal collections, assisted collections and missed bins.</li> <li>• As well as helping to generate over £1.5m from garden waste sales, the system supported over 70% of transactions to be made online, reducing pressure and additional resource demands on the Lichfield Connects team.</li> <li>• It is also estimated the new processes have saved in excess of £20,000 in officer time, as customers have self-served. This has allowed the Connects team to absorb the impact of the garden waste service and take on new services.</li> <li>• Street scene processes (including reporting graffiti and abandoned vehicles) have been developed and are being tested by the team, before being rolled out online to customers.</li> <li>• New street trading processes are currently being developed to support the roll out of the new street trading/special event policy.</li> </ul>

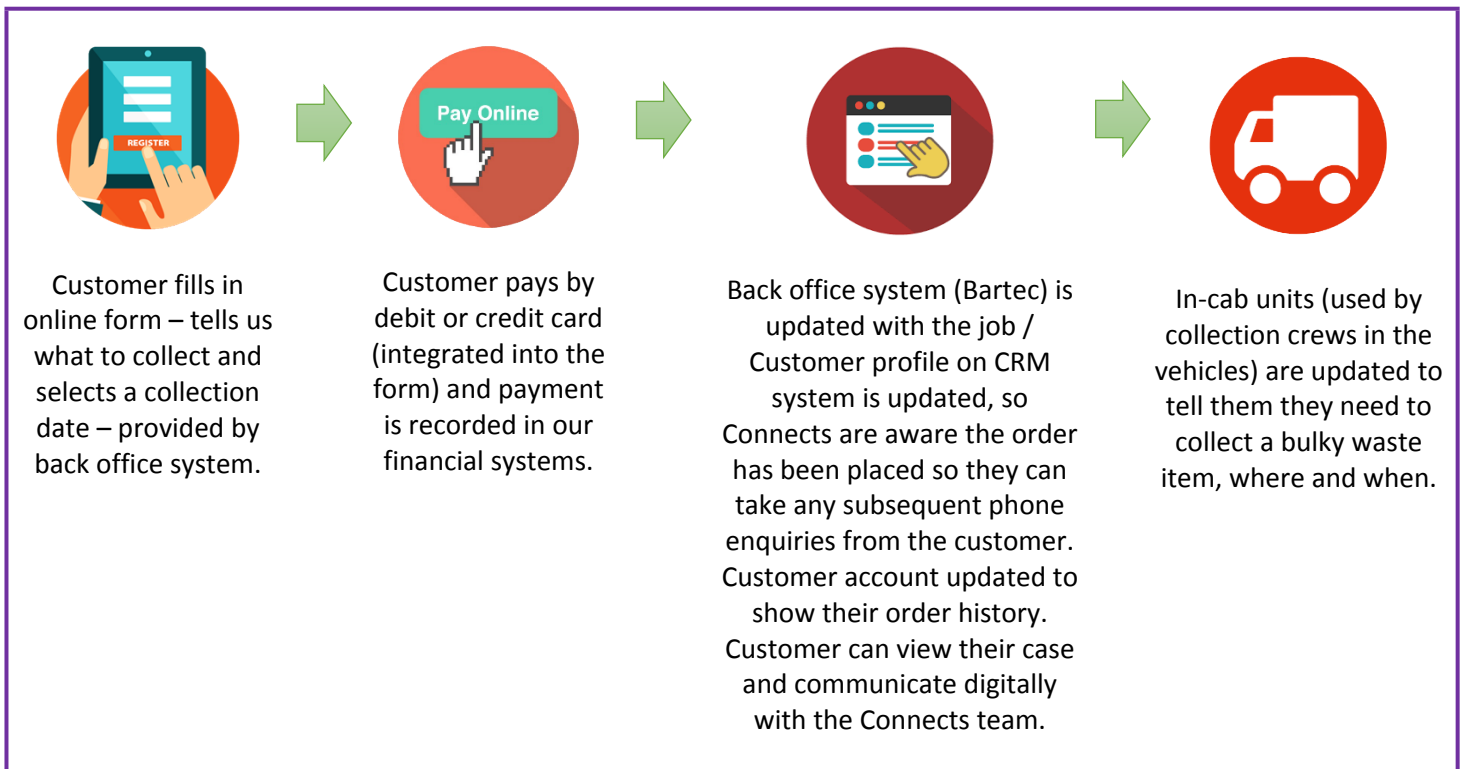
	<ul style="list-style-type: none"> <li>• Work is also underway with the key suppliers to develop key integrations to enable environmental health requests (such as pollution complaints) and potentially licensing applications to be submitted via the same system. This is subject to supplier cooperation and the work to date is looking positive.</li> <li>• It is hoped that the Innovation Task Group will help with user testing before new customer facing processes are launched, with the first processes due in the new year (street scene).</li> </ul>
<p>Launch revenues and benefits forms - that integrate into the customer account &amp; revenues and benefits system (iWorld from Northgate)</p> <p>(Cabinet approval – September 2017)</p>	<ul style="list-style-type: none"> <li>• New forms for council tax, benefits and business rates up and running.</li> <li>• A new landlords’ portal has been launched.</li> <li>• Integration with single customer account is currently in the testing phase.</li> <li>• It is hoped that the Innovation Task Group can help with customer testing ahead of a major marketing campaign to promote paperless council tax billing and benefits notifications.</li> <li>• The new system has already allowed one vacant post to be deleted and has reduced the need to increase the size of the billing team to accommodate property growth.</li> <li>• It is anticipated further savings may materialise dependent on the take up of e-billing and e-notifications.</li> </ul>
<p>Launch a committee services line of business system and digital council papers/app</p> <p>(Cabinet approval – October 2017)</p>	<ul style="list-style-type: none"> <li>• Online and mobile system from ModernGov have been launched for staff and members to access/read committee papers.</li> <li>• The Forward Plan and member details are also published in Modgov.</li> <li>• All meeting papers from February 2018 are now published in ModGov with earlier documents expected to be re-published in the near future.</li> <li>• Roll-out plans for driving up usage of the system with both members and officers are currently being prepared.</li> <li>• Our ambition is that all council meetings will be paperless from next June, following the elections.</li> <li>• So far, the introduction of Modgov has improved the efficiency of the committee services team and it is expected that there will be cashable savings realised, with the move to paperless meetings.</li> </ul>
<p>Implement an environmental health line of business system, a replacement DMS (a document management system) for planning and building control and other IDOX modules.</p> <p>(Cabinet approval – February 2018)</p>	<ul style="list-style-type: none"> <li>• A new document management system for planning and building control was launched in September and has improved internal team efficiency and the customer journey. This system will also underpin other IDOX modules.</li> <li>• IDOX modules for environmental health, housing, ASB, licensing, estates management, planning and building control have been commissioned and are in various stages of configuration, training and testing.</li> <li>• Robust project management is in place and implementation is going well and is on schedule and on budget.</li> <li>• The first back office processes – taxi licensing and anti-social behaviour – are set to go live by end of 2018.</li> <li>• Environmental health and estates management processes are expected to be rolled out early in 2019.</li> <li>• This system will generate significant efficiencies and improvements, including improvements in the customer experience, workflow and team resilience. It will also increase the security and accuracy of business data.</li> </ul>
<p>Introduce a paperless direct debit payment facility.</p>	<ul style="list-style-type: none"> <li>• This was considered in line with the introduction of year 1 garden waste.</li> <li>• At the time, the business case did not provide a robust argument in terms of costs or efficiency to support the necessary investment.</li> <li>• Whilst year 2 garden waste sales are progressing very well without online direct debits in place (over 5,000 sales as of 14 November), this is being revisited given member feedback/desire to see direct debits introduced.</li> </ul>

### Customer access achievements

- 3.2 A key element of the digitisation programme is the ambition to ‘make our top services fully bookable online and so easy to use that people choose to go online as a first port of call.’ (Strategic Plan, 2016 – 2020)
- 3.3 The experience of garden waste sales, where over 70% of customers (c28,000) bought online, has proven the argument that if an online service is easy enough to use, customers are willing to adopt it.
- 3.4 Furthermore, take-up statistics on other online waste services that were launched between April and July 2018, show that in the two months since their launch, with minimal promotion, 1763 customers self-served (with no recorded complaints), saving the authority in excess 246 hours of officer contact time.
- 3.5 It is not just waste where the enthusiasm of residents to embrace our new systems has been evident. Without any promotion, other than on our website, nearly 1,000 residents have signed up to receive digital council tax bills, rather than paper copies. The customer experience of e-billing still needs to some testing and refinement, but it is interesting to note that despite this, residents are keen to embrace the opportunity to engage digitally.

### Replicating the success of waste digitisation

- 3.6 Replicating the success achieved in waste services from a customer point of view is a key component of the programme moving forwards.
- 3.7 The key to the success of the waste services transformation work was the integration, and the relationship, the team fostered between the CRM/online forms company (Jadu) and the back office waste company (Bartec). This enabled end-to-end processes to be created that see the two suppliers’ systems talk to each other, with no human/back office interaction required.
- 3.8 An example of this is the bulky/scrap waste process, which has been used by 761 customers since its launch this summer:





- 3.9 With a number of back office/line of business systems in place at the council, replicating this integration work is key to creating both a good customer experience and solid back-office processes that work for the customer services team, as well as the teams delivering the services.
- 3.10 The level of integration and uniformity of customer experience that can be achieved will depend on the level of integration back office suppliers can/are willing to offer, and at times this may differ depending on system capability and opportunity cost/time to deliver.
- 3.11 An example of this is the revenues and benefits forms that were recently been launched and are being successfully used by customers.
- 3.12 Currently if a revenues/benefits/business rates customer wants to be 'remembered' on these forms, they have to create a customer profile (username/password) that is separate to their Jadu customer account – so they effectively have two profiles and two logins for interacting with the council.
- 3.13 This is not an ideal situation and we have worked closely with the suppliers involved (Northgate and Jadu) to improve this situation by allowing Jadu customers to sign-into their revenues, benefits or business rates accounts, by passing through their Jadu account. This will mean they will only ever have to remember one username and password. This is currently in test and set for launch this winter/spring.
- 3.14 It is hoped that the Innovation Task Group can help with customer testing of this customer journey, ahead of a major marketing campaign to encourage customers to sign up to paperless council tax billing and benefits notifications.

#### **Our current challenge**

- 3.15 Our challenge now is to:
- Replicate the success achieved in waste services across the full span of council services, where both the volume of contact justifies the investment and the process is strategically important.
  - Create full integrations where possible (e.g. replicate the waste experience) or partial integrations where full integrations are not possible (e.g. replicate the revs and bens experience) or agree an alternative/separate approach is most appropriate to the business/customer need.
  - Ensure the software we have purchased (both front end – Jadu) and existing/new line of business (various) are exploited to their fullest potential.
  - Embed/launch the online revenues and benefits single-sign-on to Jadu, as well as identify issues/lessons learned that need to be addressed through the overall Northgate re-rendering exercise scheduled for 2019.
  - Promote the council's online offer to increase our digital customer/resident base – see **Appendix B**. The investment in such marketing will be incorporated/explored in the council's emerging Digital Strategy (see 3.24).
  - Develop robust reporting tools to ensure decisions can be data driven and teams can react quickly to changes in customer behaviour/activity.
- 3.16 We have estimated there up to 107 additional processes that could be digitised. But we are not digitising processes merely for the sake of digitising. The Fit for the Future programme has initiated a series of reviews of systems/services and processes and our digitisation actions are prioritised on the basis of the recommendations emerging from these reviews. In making the decision as to whether or not to digitise processes, a full assessment based on cost of processing and volume of requests will be carried out to ensure that any investment of time/resources will deliver a benefit to the customer and organisation and represent good value:

Area	Number of forms to digitise (resident customers)		Number of forms to digitise (business customers)	
	Delivered	To deliver	Delivered	To deliver
Street scene, parks and car parks	0	11	0	3
Waste	7	2	0	1
Environmental health	0	20	0	10
Licensing	0	6	0	36
Housing	0	1	0	0
Planning and building control	0	3	0	2
Trees	0	1	0	1
Benefits, council tax and business rates	13	0	2	2
Complaints etc	0	6	0	5
	<b>20</b>	<b>50</b>	<b>2</b>	<b>57</b>

- 3.17 The remaining processes that could be digitised span a number of line of business systems and it is likely that a series of integration projects will be required if we wish to fully integrate customer requests into line of business systems, replicating the success of the waste project. The processes, their back office systems and potential integrations are shown in a visual format at **Appendix C**.
- 3.18 The delivery of new digitised processes will be included in the Digital Roll-out plan (see 3.24) and in line with the Fit for the Future programme.

#### Key projects/decisions/hurdles

- 3.19 Our current challenges include the following:

Project	Current status
Environmental health customer requests	<p>Ideally we want customers – or Connects on their behalf - to be able to raise a request through a Jadu form, create a record in their account, and for their request to pass into the IDOX line of business system to set up a 'job' for teams/officers to process. We are currently working with Jadu/IDOX on this integration work. The work is progressing slowly, but we have commitment from both partners to deliver this in Q1/Q2 of 2019. This is something that is important to many other councils and we have been working with Scottish Borders, Swindon and Northampton councils to demonstrate to the suppliers that this is worthy of their attention.</p> <p><b>Work on the integration is set to start in Q1 2019.</b></p>
Licensing - taxis	<p>We have purchased the IDOX back office system to support taxi licensing. The team is keen to digitise their processes as soon as possible and to encourage drivers/taxi operators to submit their applications online from April 2019.</p> <p>Due to the number of applications, the team are keen for applications to pass into the IDOX line of business system, with no need for manual inputting. Currently there is no integration between Jadu and the IDOX taxi licensing module and as such an alternative online forms solution provided by IDOX is being considered as part of an options appraisal. These forms will not look like the council website and there will be no integration into the Jadu customer account/CRM system. That said the forms will allow the team to provide a digital application process from April 2019, in line with the new policy, and will start to foster the culture change needed in the client base (taxi drivers and operators) to interact online.</p> <p><b>Officers are currently preparing an options appraisal ahead of making a</b></p>

	<b>decision as to whether the advantages of the alternative forms package outweigh the drawbacks.</b>
Licensing – other licenses	<p>We have purchased the IDOX back office system to support other licenses (Licensing Act. Alcohol, TENs etc). The team is keen to digitise their processes as soon as possible. Currently there is no integration between Jadu and IDOX on licensing, however both Jadu and IDOX are keen to explore this as a possibility.</p> <p>At present, the council utilises a suite of partially digitised forms provided by the government to support Licensing Act responsibilities. While this may work for the customer, there is no integration with the council’s systems, so everything has to be re-entered or filed on paper. The government has also indicated that it may wish to discontinue their forms, because they do not meet Government Digital Standards (GDS).</p> <p><b>An options appraisal is currently underway to identify the best way to ensure an improved customer experience.</b></p>
Street scene/ grounds maintenance	<p>The street scene/ground maintenance teams currently do not have a dedicated line of business system – instead they rely on Lagan, which will be decommissioned in 2019. The current back office processes (supported by Lagan) are being rebuilt on Jadu and are set to be launched/tested later this year/early 2019.</p> <p>That said, the Jadu system is not designed to provide the sophistication of a dedicated back office system which could provide which could enable sophisticated mapping, scheduling and team management processes. As such, whilst the Jadu solution provides a robust system for submission of customer/requests and case management, the team is reviewing options for introducing a back office system, which could complement the Jadu solution and help to replicate the waste customer experience.</p> <p><b>An options appraisal is currently underway.</b></p>
Other projects/ assessments	<p>We are also assessing integrations and various line-of-business systems for trees, complaints FOIs etc. We are also intending to replace our website platform (content management system (CMS)) as the contract expires so that we can improve the customer experience particularly with regards to the search facility; and will be obtaining Microsoft Office 365 licences in May 2019 which will be used to improve the opportunities for collaboration amongst officers, Members and partners.</p>

### The Role of the Innovation Task Group

3.20 The Innovation Task Group includes Cllr A Yeates (chair), Cllr Mrs Evans, Cllr Mrs Barnett and Cllr Mrs Baker. When established it was supported by the then Cabinet Member, but it has not convened since it tested the revenues and benefits forms in late 2017. The task group’s objectives are as follows:

Objectives	Desired outcomes
To scrutinise and support the council’s approach to encouraging channel shift and making best use of technology.	That the Strategic O&S Committee feels able to support the Cabinet Member in delivering innovation, channel shift and digitisation.
To view emerging proposals from the viewpoint of the resident and to help ensure that changes are user friendly.	That public facing systems are easy to use and improve the customer journey.
To consider/ensure where channel shift is encouraged that service provision is maintained –	That services to those that are not digitally able are protected and that they do not receive a diminution in service provision.

even improved – for the most vulnerable and less digitally enabled, but also to consider how those customers who can interact on line can be encouraged/incentivised to do so.	That customers who are digitally able choose to interact with us online over and above any other channel.
To consider how members themselves can be persuaded to do more digitally.	That members embrace more council activity online.
To consider how the council will measure and realise efficiencies from the implementation of new systems.	Efficiencies are captured and incorporated clearly within the Medium Term Financial Strategy.

3.21 The task group also identified it would focus its attentions on the following lines of enquiry:

- Supporting the development of the council’s approach to investing in technology that enables mobile and flexible working by employees and members.
- Helping to establish the requirements of the committee services system from the view of members and to help champion the implementation of any new system.
- To test, critique and endorse the customer experience in ordering a garden waste service.
- To ensure that the principles adopted to develop such an experience influence the future digitisation of other processes.
- To oversee the progress of the digitisation programme and to identify processes that may be added to the ‘wish list’ for development.

3.22 The task group was particularly helpful in testing, from a customer perspective, the new systems for garden waste and other waste processes and for revenues and benefits. Its work contributed to the significant success of the garden waste subscription service.

3.23 There is more work to be done now and it would be appreciated if the Innovation Task Group can meet to discuss how it can support the delivery of the digitisation programme with a particular view to ensure that the needs of residents and customers are considered appropriately.

### **The bigger picture – fitting into our overall Digital Strategy**

3.24 In December 2018 Cabinet will consider the council’s proposed Digital Strategy. The strategy sets out our aims to:

- Increase the number of customers using our electronic services.
- Decrease the number of service failures that result in customer contact.
- To drive up mobility and flexible working within the workforce.
- Increase the level of organisational expertise in digital skills and our agility to respond to change.
- To simplify our network and limit the number of systems we use to reduce the ongoing costs.
- To use systems that permit flexibility to respond to service, organisation or legislative changes quickly.
- To ensure the availability of our information assets whilst ensuring their security and integrity.
- To challenge services to change and supporting them to transform.

The strategy details the delivery the infrastructure, culture change and skills to support our ambitions to digitise our services and deliver efficiencies and savings through the introduction of new technologies (hardware and software) that will support more agile, responsive and digital services. The projects listed in this document form part of the key activities to achieve the aims of the digital strategy and our strategic plan.

**Identifying and delivering efficiencies and savings**

- 3.25 Each of the 4 strategic projects currently being implemented were supported by a business case considered and approved by Cabinet. The business cases included an assessment of how digitisation will lead to cashable savings. Where defined cashable savings were included within the business case, these were incorporated within the MTFs at the time of approval. But we know that there is the potential for additional savings to materialise as development and implementation is completed.
- 3.26 It is not our intention to digitise processes as they are. Instead, there is a stage of ‘As is’ and ‘To Be’ process mapping which allows us to challenge how we do things, why we do things and agree new processes which are more streamlined and more customer friendly. When we do so, we find that there is potential for additional savings than originally envisaged.
- 3.27 Furthermore, when we go live, we may find that the public take-up is different to that forecast which brings with it the prospect of additional costs or savings.
- 3.26 The return on investment for digitisation can take some time to realise but elsewhere on this agenda there are examples of where additional cashable savings have been identified as a consequence of digitisation. So for instance, there are savings being proposed from garden waste (additional income and reduced administration costs), revenues and benefits (staff and postage / printing), and committee services (printing) which are additional to those first identified.
- 3.27 The working group is ensuring that it evaluates the impact that the new ways of working are having on the efficiency of the council and that savings – both cashable and non-cashable – are being realised by the relevant directors / heads of service – and will continue to seek a way in which savings can be identified and presented.

<b>Alternative options</b>	All developments are fully assessed through a robust business case. Approved business cases are predicated on an options appraisal that examines alternative means to achieve outcomes, the systems on the market, their costs and potential benefits, the customer experience and the ease of maintenance and development.
<b>Financial implications</b>	There are no financial implications arising specifically from this report. Any financial implications made in digitising processes have been considered as part of the business cases approved by Cabinet.
<b>Consultation</b>	<ul style="list-style-type: none"> <li>• The digitisation programme is overseen by the working group which includes representatives from relevant service areas. Its programme is informed by the council’s Fit for the Future board which reports to the council’s Leadership Team.</li> <li>• Individual workstrands/projects are governed by separate working groups – for example the garden waste working group and the IDOX project board. Individual projects are led by the most relevant director or head of service.</li> <li>• In procuring systems, the team undertakes rigorous soft marketing testing by consulting with potential suppliers and their existing customers. In preparing tender documents and specifications we consult with neighbouring authorities to identify whether there are possibilities for joint procurement.</li> <li>• For instance, when we undertook the procurement for the single customer account, the specification was prepared in consultation with other councils including Tamworth, Stoke, Newcastle and Staffordshire and the procurement written in such a way that other councils could use our contract to buy from the successful bidder. For every additional council using our contract, the council is able to utilise additional development services from Jadu.</li> <li>• All significant procurements are taken to Cabinet for approval.</li> <li>• Customer testing, including with Members, is built into each project plan so that we can have confidence that the finished experience is user friendly.</li> </ul>

<b>Contribution to the delivery of the Strategic Plan</b>	<p>Lichfield District Council's Strategic Plan 2016 – 2020 sets out our ambition to become a council that is 'fit for the future'. This includes:</p> <ul style="list-style-type: none"> <li>• Making our top services fully bookable online and so easy to use that people choose to go online as a first port of call.</li> <li>• Seeking out ways to increase productivity and efficiency through our Fit for the Future programme and service reviews.</li> <li>• We also highlight our ambitions to deliver good customer services and to develop innovative approaches to generate income.</li> </ul>
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<b>Equality, diversity and human rights implications</b>	<ul style="list-style-type: none"> <li>• The principles of the programme are designed around the customer.</li> <li>• It is acknowledged that whilst many residents / customers are digitally enabled and want will engage with the council online – the take-up of garden waste online is evidence of that – some people will not.</li> <li>• Implementing such systems will reduce the level of bureaucracy and will allow the council to release staff to support more vulnerable customers.</li> <li>• Appropriate system changes/new systems are tested with an Equality Impact Assessment to ensure that no individual, or group of people, is adversely affected.</li> <li>• Furthermore, customer testing is built into each project's plan so that the usability of the system can be reviewed from a customer's perspective.</li> </ul>
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<b>Crime &amp; safety issues</b>	<p>Implementation of these systems are governed by the appropriate security protocols and the protection of customers' data is paramount in the specifying of systems that we might wish to implement.</p>
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	Risk Description	How We Manage It	Severity of Risk (RYG)
<b>The programme and individual projects have comprehensive risk logs but key risks to the programme include:</b>			
A	Ineffective programme governance	The programme is being delivered under the auspices of the Fit for the Future programme and it has its own programme working group and specific project boards.	Green
C	Insufficient capacity to support programme / projects	Where necessary business cases for individual projects include costs for additional capacity to manage and implement. Plans are being adjusted where capacity is limited.	Yellow
D	Failure to observe procurement laws	Where appropriate the council consults with the Procurement team at the county council	Green
E	Systems not properly costed	Procurement is predicated on lifetime costs of the system	Yellow
F	Systems not properly specified	A full specification is prepared for each system; which is tested against user expectations and we consult partners to identify best practice	Yellow
G	Benefits not realised	Each project has very clear measureable objectives and these are monitored and evaluated throughout the implementation	Yellow

<p><b>Background documents</b></p> <p>Reports to Cabinet in July 2017; September 2017; October 2017 and February 2018 Report to Strategic (Overview and Scrutiny) Committee – November 2017.</p>
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## Appendix A Progress on strategic projects

System	Progress	Outcomes	Next steps	Delivered?
<b>1a) Replacement CRM and single customer account</b>	<p>A customer relationship management system (CRM) is a system that is used to store, track and manage data about customers (individual people), businesses or properties.</p> <p>It also contains a number of forms, so service requests can be raised on it and sent to teams. The service requests are raised against the property, person or business, so there is a record of all transactions/ interactions.</p> <p>CRMs can be linked into other systems such as online forms and back end systems – so that when a customer submits a request online/by phone, messages are sent direct from the CRM to the back end systems to request a job is delivered (e.g. missed bin). It can also be integrated with DMS systems to kick off more complex workflows.</p> <p>We historically had a customer relationship management system in place called Lagan/Verint which runs out of contract in 2019.</p> <p><b>As part of the digitisation programme</b> we procured a new CRM lite from Jadu that is set to replace the Lagan fully by mid 2019. The CRM also provides an online customer account functionality and a suite of webform tools.</p> <p>The CRM lite was launched to support the roll out of garden waste charging (15 December 2017) and has been extended to support all waste processes across Tamworth and Lichfield. The processes integrate with systems that govern payments, waste services, property data and with our sticker printing supplier.</p>	<p>Our new CRM system has been rolled out across all existing Lagan waste services and is on target to replace remaining Lagan based services by mid-2019, in line with the contract end date.</p>	<p>It is anticipated that subject to further integrations it will be used to support a raft of other service areas.</p> <p>It is also set to support a range of services/requests that do not benefit from a line of business system including street scene and street trading.</p>	Delivered
<b>1b) Online sales process for garden waste</b>	<p>Following the decision to charge for garden waste from January 2018, a new system was required to support online, face to face and telephone sales.</p> <p><b>As part of the digitisation programme</b>, the new Jadu CRM lite and on-line forms (see above) were utilised to support the garden waste charging. The systems integrate with the council's waste system (Bartec), payments system (Capita 360) and land and property data (SinglePoint).</p> <p>The system has since supported £1.5 million sales in Y1 (70% online take up) and has currently supported over 5,000 customers to purchase Y2 garden waste subscriptions. The system has also been used to support online processes including reporting missed bins, ordering additional bins, ordering bulky waste and scrap waste collections and more.</p>	<p>£1.5 million sales in Y1 garden sales (70% online take up).</p> <p>Strong online garden waste sales in Y2.</p> <p>Significantly lower than forecast admin costs</p>	<p>The missed bin process will be enhanced to deliver additional functionality.</p>	Delivered

System	Progress	Outcomes	Next steps	On target?
<b>2) Online forms for revenues &amp; benefits (Northgate) and online forms</b>	<p>We identified a need to create a system that enables benefits applicants/those in receipt of benefits to apply for benefits, change their details etc. Due to the confidential nature of this information and the need for authentication, it is arguably key that a customer account forms part of the experience – so customers can login, keep track of their claims, supply supplementary information etc and the whole process doesn't have to go off line at some point.</p> <p><b>As part of the digitisation programme</b>, we procured and implemented an online forms package from Northgate and commissioned online account integration work with Jadu, so that users can store their details in their online customer account. We secured £15000 from the LGA to part fund this work.</p> <p>Online processes launched to date include: address changes, application for single persons discount for council tax, housing benefit applications, council tax balance checks, direct debit payments registration and a landlords portal.</p>	<p>In total it is estimated the forms package could realise efficiencies on savings of approximately £136,000 over 3 years.</p>	<p>The team are working to integrate the forms into the Jadu single customer account, to reduce the need for customers to maintain two accounts with the council.</p>	<p>Online forms delivered</p> <p>Account integration underway</p>
<b>3) Line of business system for regulatory services and a document management system for development management /building control</b>	<p>There was no line of business system or document management system for regulatory services, including food inspections, licensing, pollution inspections, housing inspections, taxi licensing and more. Other service areas including ASB, housing, building control, licensing also did not have or needed improvements/enhancements to their line of business systems/document management solution.</p> <p><b>As part of the digitisation programme</b>, the IDOX line of business system was procured for environmental health, housing, ASB, estates management, planning and building control and is now in various stages of implementation.</p>	<p>It is acknowledged that the implementation of a system for regulatory services will have the following benefits: easier compliance with GDPR, increased business continuity and resilience, improved data security, better workflow management, improved customer experience, better data management, reduced storage costs.</p>	<p>Fully implement the systems and deliver online processes where appropriate.</p>	<p>System procurement delivered</p> <p>Implementation underway</p>



System	Why?	Next steps	Expected outcomes	On target?
<b>4) Committee management system</b>	<p>There was no dedicated back office system in place to underpin the work of the democratic services team, which meant the council relied on the organisational skills and memory of individual officers to ensure documents are produced, edited, and retained appropriately. To achieve this they relied heavily on emails, rudimentary digital filing systems, and the chasing of colleagues to ensure statutory deadlines, and member and public expectations are met.</p> <p><b>As part of the digitisation programme</b>, the democratic services team carried out a thorough options appraisal and selected Modern Gov to underpin the work of the team, teams across the council and also increase the digitisation of meetings.</p> <p>The project has been split into three phases.</p> <p>Phase 1 which has now been completed involved implementing the system to support the work of the democratic services team – including setting up report templates, getting to grips with the system, updating the website and setting up all the rules and processes for the production of meeting papers that will support the next phase. It has also seen clerks use the system at meetings to record attendance etc. Members have also started to use the mobile app during this phase.</p>	<p>Phase 2 (early 2019) will focus on rolling out the report production tools to officers across the council. This will require significant training and support from the democratic services team, so it is essential they fully understand the system.</p> <p>Phase 3 (from summer 2019) – the use of Mod Gov by officers and members will be standard and the printing of council papers will cease, other than for staff/members who have additional needs – large print etc.</p>	<p>By June 2019, all committee papers will be prepared using Modern Gov, meeting attendance will be recorded on Modern Gov and all council meetings will be digitised with the aid of the Modern Gov technology and app.</p> <p>This will translate into improved workflow processes, greater transparency, and enhanced member and customer experience</p>	<p>Phase one – delivered Phase two – underway Phase three – to be rolled out in May 2019</p>
<b>5) Online direct debits</b>	<p>An options appraisal was carried out on online direct debits for Y1 garden waste. It was determined that the benefits of the solution did not outweigh the costs and potential risks, and the tight delivery timeframe for garden waste charging did not support wider council wide investigation.</p>			<p>Not delivered – to be reconsidered in 2018/2019</p>

## Appendix B Our 'save time, go online' digital comms campaign

From signing up to paperless council tax bills to ordering a new bin, **save time, get online.**

[www.lichfielddc.gov.uk/digitalservices](http://www.lichfielddc.gov.uk/digitalservices)



A low cost comms campaign that has included rollerboards, posters, social media posts and press releases has been launched in 2017 to encourage more residents to go online.

The campaign will be developed as part of the council's digital strategy to underpin the behaviour change the council wishes to encourage in residents, staff and members – to go online as a first port of call.

The timing of the campaign and the messaging will be vital to ensure that an adequate number of processes exist and that relevant account integrations support a positive user experience.

This will be explored and directed as part of the council's emerging Digital Strategy (see 3.24).

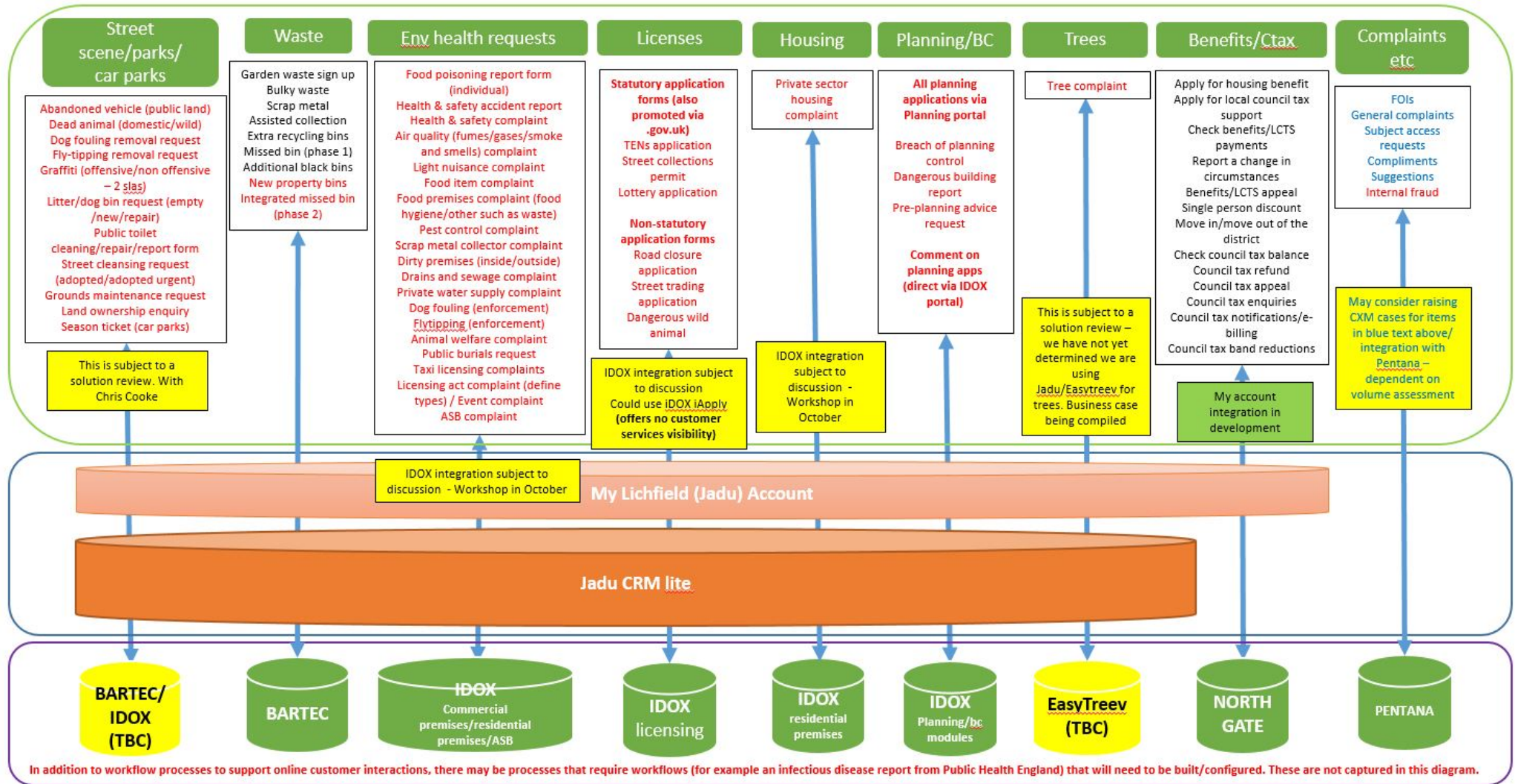
# Appendix C Customer processes - residents

Key:  
Delivered / To be developed

## What systems support resident requests

Resident customer access systems map August 2018

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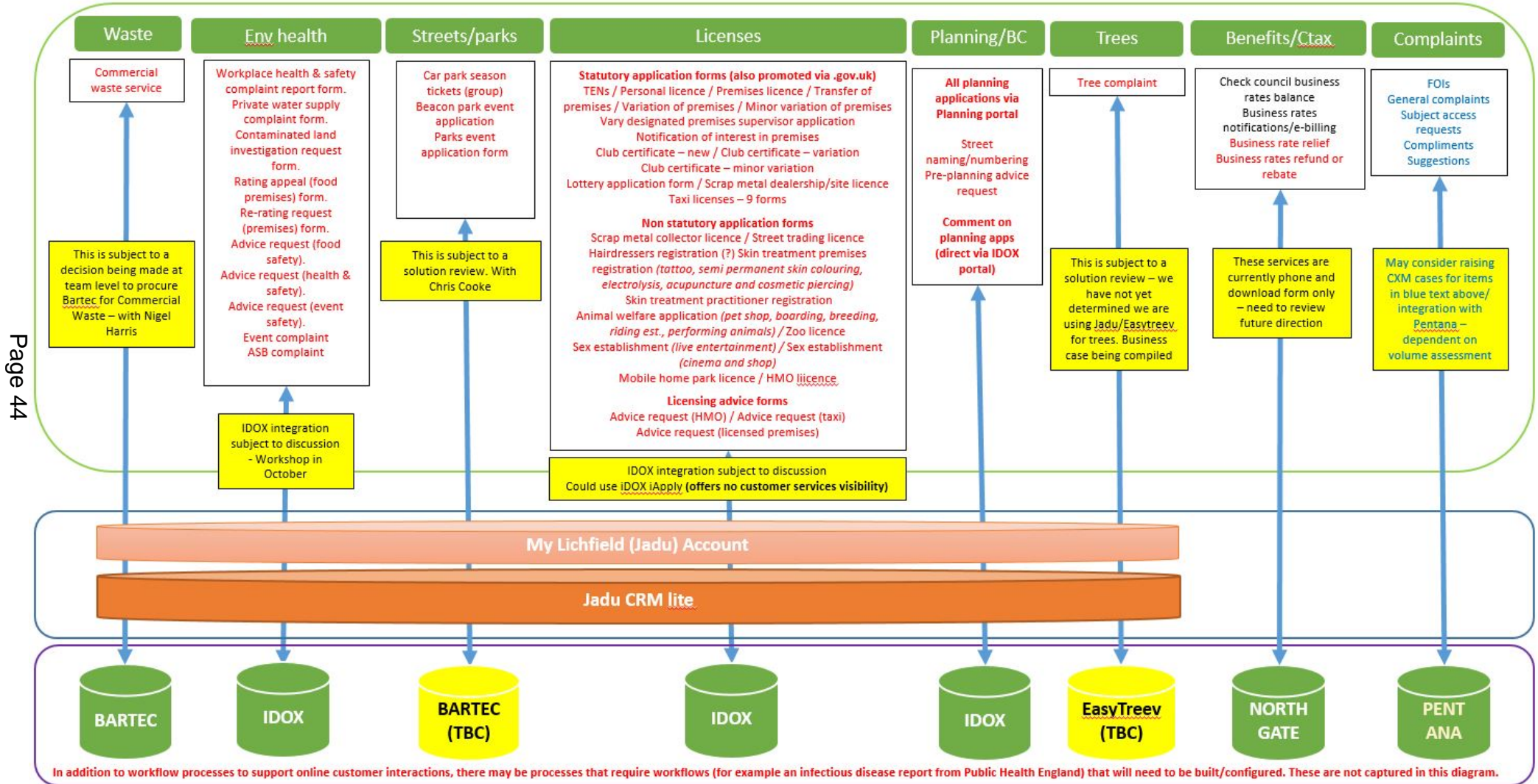


# Appendix C Customer processes - businesses

**Key:**  
Delivered / To be developed

What systems support **business** requests

**Business customer access systems map** August 2018



In addition to workflow processes to support online customer interactions, there may be processes that require workflows (for example an infectious disease report from Public Health England) that will need to be built/configured. These are not captured in this diagram.