Digital Experts Programme
Dacorum Borough Council channel shift case study

The issue and context

Dacorum Borough Council recognizes that the use of digital services can bring enormous benefits to both residents and the council and its staff. Online provision increasingly reflects the way residents live their lives, offering people greater convenience and a more personalized experience. Meanwhile digital technologies give councils the opportunity to fundamentally reshape their service delivery and reduce costs at a time when public services are facing severe financial constraints.

Yet research suggests that people use government digital services less frequently than those offered by other organizations, such as banks or retailers. This results in resources being diverted away from supporting those most in need and prevents the benefits of online services from being fully realized.

"People are willing to use private sector websites for online banking and shopping. So there's an opportunity for tech minded councils to get ahead of the curve. But the resident's first impression has got to be 'that was easy'." Senior councillor, Dacorum BC

Dacorum's vision is to create an online experience that is engaging, responds to the needs of individuals and is the primary way in which people access and interact with key services. The council is therefore in the process of implementing detailed plans to bring core services and functions online as part of a new digital business model. This vision is underpinned by a 'Digital Dacorum' programme made up of 10 work streams. This includes projects addressing website design and functionality, use of social media, digital signatures, customer relationship management and digital inclusion. 'Channel shift' is a fundamental objective for the programme.

However, like many organisations, the council understands that large-scale channel shift is not possible if we just focus on the technology – it is also about how people think and act. Experience suggests that focusing on digital solutions without considering the human and cultural side of change leads to low levels of online take-up. The council is working with residents and staff to explore how its new digital vision can be implemented successfully.

"Digital first is not just about an improved website or new technology. It is about moving the whole organization from traditional models of delivery (i.e. face-to-face, phone calls, letters etc.) to a model where a large part of contact will be conducted online. This has the potential to fundamentally change the relationship between services and users as well as altering the way that staff works. As a result, the new digital vision is as much a cultural change as it is a change of delivery."
Digital Dacorum: A New Vision and Strategy

The project objectives and targets

The objective of the Digital Experts project was to develop and test (and ultimately implement) a series of initiatives and policies that encourage residents to access online services. Crucially it sought to identify behavioural patterns and to understand how different groups of people respond to specific types of incentive and disincentive.

The project centred on a number of core elements:

- Financial inducements
- Non-financial inducements
- Psychological or behavioural measures or stimuli (i.e. nudge theory)
- Use of communications and marketing
- Changes in access methods for non-digital services.

The project considered the relative effectiveness of the different measures, with the learning from the research informing a channel shift implementation strategy.

"There's often a presumption that if you provide digital channels people will use them. But if you look at what organizations such as banks are doing, they're not leaving things to chance. They actively drive people online." Assistant Director, Dacorum BC

In particular, the study planned to use resident profiling ('personas') to understand the different needs people have and how they respond to certain initiatives or policies, allowing for a much more sophisticated and nuanced approach to be developed. The team would also work with portfolio holders and other councillors to understand the sensitivities and strategic considerations associated with any proposed changes.

The project was led by Dacorum in partnership with academics from Hull University, who ensured that the research was undertaken in a way that was both rigorous and took account of the latest thinking in the field of user engagement.

The outcomes anticipated from the project included:

- More residents choosing to go online for council services. The council's existing modelling suggested that 50 per cent of key transactions and contact would be undertaken online in three years. Following the implementation of the additional measures emerging from the research, the council projected that this figure could increase to 60 per cent and in some cases the speed of channel shift would increase.
- A 60 per cent shift away from phone calls, letters and visits would bring forward significant savings in staff time and resources by the end of year 3.
- The council also expects to see an improvement in customer satisfaction as more residents benefit from the flexibility of digital services.

Specific outputs from the work would include:

- A research paper demonstrating how different groups respond to channel shift and what initiatives and actions are likely to be most successful
- A channel shift 'tool-kit' containing ideas and plans to identify what drives different people and how to use those suggestions to move different residents online
- A series of channel shift plans to get residents using services online.

These outputs, as well as the raw data and research, would be made available to other councils to ensure that the methodology behind the approach was transparent.

The overall timetable for completing the project was February to December 2015. Key milestones were:

- Identifying and commissioning a research partner
- Developing a research plan
- Developing possible actions and initiatives with residents and staff
- Testing actions and initiatives with residents and staff
- Analysing resident responses by profile
- Desktop research into what works elsewhere
- Producing the final research report
- Producing the channel shift implementation strategy and plan
- Beginning the engagement with service departments.

The approach and progress to date

The council made rapid progress with the project and by late summer 2015 the following steps had been completed:

- The team had identified and commissioned Hull University (Dr Darren Mundy) to undertake the research
- A detailed research plan had been designed with Dr Mundy and the following services had been agreed as the focus for the project:
  - Housing
  - Revenues and benefits
  - Environmental services
- Details of the research proposal had been presented across the organization, including to the senior management team
- A series of research workshops had been held with both residents and staff and Dr Mundy was writing up the results. The workshops had worked well, but younger people were under-represented, so additional survey work had been commissioned
- Desktop research into what works elsewhere had been prepared in draft for Dacorum BC feedback.

By the early autumn, therefore, the programme was beginning to deliver valuable messages that would enable the team to prepare an evidence-based 'menu of options' to present to senior managers and councillors. However, it was already becoming clear that different services were likely to need different options. The research would also form the basis of a better understanding of what was or was not politically acceptable.

The main constraint on the project by this point had been the challenge of identifying a representative sample of residents and finding the right inducements to ensure their attendance at the workshops. Additional survey work had been required to mitigate the under-representation of younger people in the sample and the scale of response to this survey work was less than expected. This survey work was slightly delayed as a result of a requirement to seek approval from the University ethics commission.

Nevertheless, the project continued to make good progress during the autumn. By November 2015 the researchers' final report to Dacorum had been completed and amended in the light of the borough's feedback. Meanwhile, work was underway on producing a channel shift implementation strategy and plan.

One of the key messages coming through from the research was that, certainly in the public sector, the need for policies to encourage channel shift (including a consideration of disincentives or options to turn off other contact routes) was often seen as less important than getting the technology in place.

The focus is often on why channel shift is beneficial and issues of digital inclusion rather than what needs to be done to get people to switch (digital by default versus multi-channel). Dacorum's approach to implementation aimed to address this perceived gap.

The project was virtually complete by early 2016. Based on the research, the team had built a toolkit which included a 5-step guide to effective channel shift. The steps include creating resident personas, mapping current contact methods, identifying the resources available for channel shift, checking legal or statutory constraints and making choices, including considering which policy mechanisms could be used to encourage people to go online.

"There are a lot of myths about what's feasible or even legal when it comes to encouraging people online. But many of these are just based on traditional custom and practice. It's important to be open-minded to what can be done so Members can consider the full range of possible options." Assistant Director, Dacorum BC

The implementation strategy was approved by the borough's corporate management team in February 2016 and discussed at four staff conferences. The timing was chosen to tie in with the launch of key elements of the wider Digital Dacorum programme in early March, including the council's new website and online functionality.

Meanwhile, the housing service had begun to pilot the use of the 5-step guide. The discussions involved a wide range of personnel from the housing group manager through to front-line staff and built on work that the department had already done to encourage tenants online and to develop tenant profiles. The housing portfolio holder is also key to the decision to ensure that any policy choices are politically acceptable at this stage in the borough's channel shift journey.

The research and overall approach also underpinned the setting of Dacorum's performance indicators for 2016/17 and is helping to inform the council's planned move, with partners including Hertfordshire County Council, to a new building in January 2017.

The outcome - successes and challenges

Dacorum has adopted a philosophy that challenges the presumptions that residents will automatically use online services if they are made available or that a 'one-size-fits-all' approach to channel shift is feasible.

Instead, a major benefit of the research has been to underline how a more sophisticated and nuanced approach is required. The team has discovered that there may be a number of actions that can be taken on even a single process, depending on the customer groups involved. These actions may fall on a spectrum from the 'soft', such as improving the language on the website, through to the 'hard', which could involve turning off other access channels.

The researchers made extensive use of the concept of 'personas' as a way of recognizing that different people respond to different stimuli. Interestingly, they found for instance that financial incentives may give only a short-term boost to the take-up of online services and a wider mix of incentives is required for a more sustainable increase. Keeping people online therefore involves as much thought and effort as encouraging them to go online in the first place.

Dacorum's research offers practical pointers to other councils, as well as highlighting the range of policy options and levers that can be considered. The research also underlined the point that excellent service design is at the heart of effective channel shift, and user-focused design remains fundamental to Dacorum's approach to digital.

"Good digital service design does not mean simply re-creating processes used by existing channels but may require a radical re-engineering of process and/or integration of a number of related processes"
Incentivising Channel Shift, University of Hull report to Dacorum Borough Council

Meanwhile the council has now developed a more sophisticated financial model for the impact of channel shift over the next five years, which takes into account the range of policy options Members may wish to adopt.

Looking at 26 newly digitised processes, the borough is projecting (and aiming) to save 4804 working days over a 5-year period. There would be a further 1612 working days saved every year after that. Based on this analysis, it estimates that delivery of channel shift could save in the region of £435,000 over five years.

Year	No. of contacts shifted online	Working days saved
1	8640 (10%)	168
2	25961 (30%)	605
3	43201 (50%)	1008
4	60481 (70%)	1411
5	69122 (80%)	1612
Total	**207635**	**4804**

Over the next three years the council is also forecasting a total reduction in postage costs of £53,000 which represents a 33 per cent reduction from the baseline cost.

It should be emphasized that these figures are based on the assumption that the council takes a 'mid-range' approach to policy change – in practice the savings may be greater or less. A 60 per cent shift to online channels by year 3 for instance would bring forward significant savings. It is also important to note that this is a forecast model (based on assumptions and expectations) and the borough will update its plans and estimates as it moves through the programme.

Realising the financial efficiencies is also not straightforward, since the traditional design of many council services means that in practice the time savings are spread across many different people's jobs, particularly among back-office staff. However, the analysis above should help inform decisions about the future shape and scale of the borough's customer services centre.

The project itself ran relatively smoothly and to time. Getting a representative sample of residents proved more difficult than anticipated and some steps in the process, such as getting approval from the University ethics commission, introduced slight delays. However, these challenges were overcome.

Key learning points

- The 'how' of channel shift is just as important as the 'why' and 'what', and yet it remains an under-researched area in public services. We cannot assume that people will go online just because the service is there. Councils need to take an active role in engaging with residents, understanding their perspectives and steering them, where appropriate, to online services.
- However, there are many ideas already available on different approaches, including concepts from the behavioural sciences and practical experience from other sectors and countries. The challenge is to bring this information together and apply it in local government.

"There is a tendency for research into digital to focus on the private sector or central government. Our Digital Experts project suggest that local government should be doing more to shape future research, working closely with academic partners." Assistant Director, Dacorum BC

- A council's approach to using the various levers to promote channel shift needs to recognize that different groups may require different approaches and incentives. The use of the levers may also develop over time. It would be possible, for instance, to start with 'softer' encouragement, such as changes to language, but move subsequently to 'harder' approaches, such as running down or closing alternative access channels, as a critical mass of online users develops.

- Significant efficiency savings are achievable but are likely to vary depending on what policy choices are made and how different levers are applied.
- Councillors also have a vital role to play in digital initiatives. Dacorum's wider programme was presented to the council's overview and scrutiny committee and has been reviewed on a regular basis at monthly performance board meetings. Councillors have also been involved in feeding back on the design of the new website. As the outputs from the Digital Experts project are rolled out across different service functions, the relevant portfolio holders will be involved in making important choices about how far and fast to push forward with channel shift.

"We can all agree that it's OK to nudge people towards digital. The real challenge for us as councillors is to decide how far we are willing to push our residents down the digital route and to be able to justify these decisions in public." Senior councillor, Dacorum BC

Next steps

Work on piloting the 5-step channel shift plan will continue within the housing service. In the early part of financial year 2016/17, the process will be extended to revenues and benefits, after which environmental services will be addressed in the early summer.

At the same time the borough will be monitoring the contact volumes and patterns for key transactions against its original estimates, allowing it to evaluate the success of its Digital Dacorum programme in moving residents online and achieving financial savings.

The real power of digital technologies lies not just in the functions they offer, but in the information they generate. So Dacorum's next big leap will be to combine data from residents and service users (with appropriate safeguards) with a range of other information sources in order to design and tailor services even more effectively to local needs and preferences. The borough has also found working with the university researchers very beneficial and is hoping to continue this relationship in the future.

Contact for further information

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