

Title of report	Digital Development – Benefits Realisation Progress Update
Public/confidential	Public
Action	For approval
Summary/purpose of report	This Report provides the Council with a summarised total cost profile for the main project strands that made up the SSSC Digital Programme and presents a baseline for the benefits that have been identified.
Recommendations	The Council is asked to: <ul style="list-style-type: none"> 1. note the contents of the report 2. agree the direction of travel, including any areas that require action.
Link to Strategic Plan	The information in this report supports Strategic Outcome 4: We work with Scottish Government and other partners to deliver the actions in ‘Social Services in Scotland: a shared vision and strategy 2015-2020’
Link to the Risk Register	Risk no 2. The SSSC is not able to demonstrate to our stakeholders (including Scottish Government) that its operational activity is fulfilling its strategic outcomes.
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Documents attached	None.

1.0 BACKGROUND

- 1.1 As part of the response to the s.22 Report, the Chief Executive and Executive Management Team agreed a number of actions including the requirement to carry out a full and structured benefits realisation and lessons learned evaluation for the Digital Transformation Programme. This report sets out the benefits realisation work that has been carried out to date.
- 1.2 The External Auditor noted in their 2017-18 Annual Report that whilst an initial benefits paper was presented to Council in October 2018, it did not set out a consideration of the quantifiable aspects of the project, in particular total spend and anticipated savings. An action point required that the costs and overall benefits should be reviewed for the project.
- 1.3 This Report provides the Council with a summarised total cost profile for the main project strands that made up the SSSC Digital Programme and presents a baseline for the benefits that have been identified through consultation with the organisation's management team.
- 1.4 Whilst in the majority of cases, we will need to operate for a full year of implementation before we can properly report on actual benefits, the Report provides an update on any benefits identified where figures are available.

2.0 THE SCOPE OF THE CHANGE PROGRAMME

- 2.1 The SSSC established a Programme Board to oversee the first phase of this development work, which went live in February 2019. The Digital Development Programme Board had oversight of the governance and delivery of the initial four projects that contributed to this work. All 4 projects are inter-related:

1. re-letting of sequence and upgrading to D365
2. implementing as case management system
3. upgrading MySSSC and Website
4. MS Office 365 deployment and hardware replacement/new network/infrastructure.

3.0 OUTLINE OF RATIONALE AND ANTICIPATED BENEFITS

- 3.1 Benefits Realisation has traditionally focussed cost benefit analysis, however, a simple cost/benefit analysis can have limited value. Far more benefits relate to different kinds of added value rather than a simple reduction of costs. It is therefore not necessary for all benefits to have an attributed financial value.

- 3.2 The **Sequence system** was at the end of the existing hosting contract with Equinity ICS and the decision to upgrade to D365 was based on the desire to move from the existing Microsoft Client Relationship Management (CRM) software that was due to lose Microsoft Support. As Sequence was our core system, we would not be able to fulfil our Statutory function or operate without it. The aim was therefore like for like replacement.
- 3.3 Benefits were anticipated such as being able to customise the system in house to respond quickly to problems or make improvements. In addition, emails would be sent from within D365. Also, staff would not need to copy and paste from Outlook into D365, saving time, avoiding user error, avoiding data being transferred to the wrong record or staff forgetting to transfer the data.
- 3.4 The decision to implement a new **Case Management System** was made as the existing Microsoft Client Relationship Management (CRM) software, which was customised to provide some case management functionality, was due to lose Microsoft support. In addition, the case management functions used by the Fitness to Practise and Hearings Teams was limited. The lack of a proper case management system was highlighted in an assessment by Digital Transformation Scotland.
- 3.5 Upgrading **MySSSC and the Website** resulted from a desire to create a one stop shop and way to facilitate correspondence to support the delivery of customer focus throughout the organisation. A further factor was the contract with the website supplier was coming to an end.
- 3.6 The driver for **MS Office 365 deployment and hardware replacement, new network and associated infrastructure** was a desire to carry our business as usual functions with greater efficiency. Our version of MS Office and the hardware were out of date. The aim of the upgrades was to bring better functionality, new ways of working and efficiencies. We also had negative staff feedback about our ICT infrastructure. Staff have been provided with two monitors to better be able to visualise the information they need when carrying out tasks. This was considered beneficial as it would reduce the time that was taken to move from screen to screen. Uniform hardware was also considered an enabler for staff moving between teams.

4.0 BENEFITS REALISATION PLANNING

- 4.1 As part of the s.22 review, Audit Scotland noted that the SSSC did not clearly articulate the intended benefits of the project at the outset. Work is underway to prepare a retrospective business case for the four inter-related workstreams, in accordance with the Section 22 action plan this is due for completion by end December 2019.

4.2 This situation has made developing a benefits realisation report difficult as benefits realisation reporting should be grounded in the business case objectives. Typically, the benefits should be aligned with the programme's vision and anticipated benefits mapped to the programme's objectives. Where possible, benefits will have measures and be linked to the stakeholders for the programme in question. This approach is designed to enable effective programme evaluation.

4.3 In the absence of a business case, the Government's four performance data categories have been used, these are:

- Financial savings - measuring Cost per Transaction – identification of financial implications is essential, with a general expectation that transaction costs reduce. Cost per transaction is a mandatory KPI
- Measuring User Satisfaction – this is intended to enable organisations to improve user experience - by tracking user satisfaction organisations can find out what users think about the service and develop plans to improve
- Measuring Completion Rate – this is the number of digital transactions that users complete as a percentage of all digital transactions that users start
- Measuring Digital Take-Up - the percentage of people using government services online in relation to other channels, for example paper or telephone.

5.0 IDENTIFICATION OF TOTAL COST

5.1 Total spend on the 4 Projects plus stand-alone telephone capability required as a consequence of the overall programme was:

	Sequence D365	Case Management System	MySSSC / Website	ICT MSOffice +Hardware +Network	Telephone System	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Baseline Costs	251.0	0.0	11.0	518.0	53.4	833.4
Revised Recurring Costs	442.1	122.5	7.6	*554.0	*84.0	1210.2
Recurring Cost/Saving	191.1	122.5	-3.4	36	30.6	376.8
Non recurring investment						
17/18	627.7	174.1	54.6	413.8	0.0	1270.2
18/19	897.4	363.9	127.2	1003.9	107.1	2499.5
19/20 projected	2.7	0.0	0.0	41.5	0.0	44.2
Total Cost	1527.8	538.0	181.8	1459.2	107.1	3813.9

* We have introduced a policy where we build up funding in the general reserve, which allows us to replace depreciating ICT equipment to ensure

our staff continue to have fit for purpose digital devices on an ongoing basis. We intend to set aside £100k per annum for this. As this is a new development, we have not included this for comparison in the baseline costs.

* £84,000 is the cost for 2019/2020 only due to the transfer of systems. Recurring cost are expected to be a maximum of £65,000 from 2020/21.

In addition, in year business cases amounting to c.£400k have been submitted to Sponsor.

6.0 IDENTIFICATION OF PROGRAMME BENEFITS

6.1 Financial and Efficiency Savings

- 6.1.1 There is a benefit figure that is in the public domain - this arose as part of the s.22 review as the Chief Executive reported to the Scottish Parliament's Public Audit and Post Legislative Scrutiny Committee (PAPLS) that the SSSC will make an annual saving of £416k from 2019-20 onwards.
- 6.1.2 This figure was calculated based on a comparison of the costs of the current and future position derived from detailed financial models relating to the case management process. The current position was based on process timings on the previous case management system and the forward looking model timings were based on estimates for the new system.
- 6.1.3 As the register and workloads are still increasing, this calculation represents an avoidance of anticipated cost rather than a cash saving on current spend.
- 6.1.4 The following tables outline the existing and potential sources of benefits identification, grouped in line with the performance data categories described in Section 4.0.

6.2 Financial and efficiency savings including Unit Costs

Project	Ref	Indicator	Baseline 2018-19	Notes
Case Management	7	Reduced Running Costs resulting from reduced time for processes	Budget models	The budget models identify estimated £416k annual cost avoidance efficiencies. Actuals will be calculated at the year-end
Case Management unit costs		Unit cost per case	£1421	Actuals will be calculated at year end
Sequence D365	1,2	Reduced time for processing applications and renewals	18 days	Avg year to date at Jul 19: 19 days
Case Management	8	Length of time to close a case	7.5months	Avg year to date at Jul 19: 7.8 months
Case Management	14	Staff time spent filing	28 hrs per week sample Oct 18	17.5 hours per week as at Sep 19. This is expected to reduce further.
MySSSC / Website	29	Unit Cost per Registration Application	£10.29]]
MySSSC / Website	30	Unit Cost per Registration Renewal	£4.46]] actuals will be
MySSSC / Website	31	Unit Cost per Registration Maintenance	£7.28]] calculated at] year end]
MySSSC / Website		Unit Cost of of removal from register	£4.12]]
MySSSC / Website		Unit cost per hearing prepared for	£2074]]

6.2.1 In addition to the above measures, additional measures have been suggested including average cases closed per caseholder per month, the ratio of cases held by solicitors to investigators, turnaround time for non-urgent decisions. Whilst these are useful management level measures, these have not been included in the above table as several non-system factors may also impact on the performance. Further indicators including the amount of scanning and printing / paper being used have been suggested but further analysis is required to determine if these are effective measures.

6.3 User Satisfaction

6.3.1 This section sets out the baseline User Satisfaction indicators. Much of this is baseline information however, where possible, an update on the current position has been provided.

User Satisfaction Measures

Project	Indicator	Baseline 2018-19	Notes
Sequence D365	Reduce the number of exception reports	226 exceptions taking 2 hrs daily	A significant decrease is being experienced with 77 exceptions as at Sep 19
Sequence D365	Reduce the % of employees reporting the impact of downtime	55% of staff who responded to the survey	As at Sep 19, reduced to 19% of staff who responded
Sequence D365	Increased % of staff reporting confidence and satisfaction with the new system	Baseline to be developed from 2018-19 survey	As at June 19, improvements are reported across all categories
Case Management	Increased % of staff reporting a positive response that the equipment they use is reliable	16% of staff who responded to the survey	A significant increase being reported at 62%
ICT Support Services	Reduction in IT response times to support requests	7.4 days	A significant increase to 7.1 hours

6.3.2 We can demonstrate that the introduction of Office 365 and associated hardware has improved the way we work, and the overall satisfaction levels reported by staff support this. The percentage of staff responding to our survey that the equipment they use is reliable went from 24% to 53% and those who said it was modern and up to date went from 9% to 54%. There are notable increases in satisfaction relate to the network reliability and speed (25% to 53% and 18% to 56% respectively) and working collaboratively (19% to 39%).

6.3.3 A number of other benefits measures were suggested by staff including identifying the increase in video conferencing and reduced number of helpdesk tickets raised but there are issues with identifying a baseline with the former and there have been different work practices that impact on helpdesk functions so these have not been included at this point.

6.4 Increased completion rate for user journeys

6.4.1 Completion rate refers to the number of digital transactions that users complete as a percentage of all digital transactions that users start.

6.4.2 The following measures have been identified

Project	Ref	Indicator	Baseline 2018-19	Notes
Case Management	20	Reduction in processing errors – using data beaches as a proxy measure	13	We anticipate errors reducing as staff and registrants become more familiar with the system
MySSSC / Website	24	Reduction in incoming mail volume	300 in Oct 18	New functionality allows workers and employers to upload info to the portal
MySSSC / Website	27	Reduce number of calls	7.9%	A new telephone system will be procured in 2020 which may provide additional functionality
MySSSC / Website	28	Reduce number of emails	1.6%	Analysis will be compiled for emails relating to account creation/sign in and for general emails

6.5 Increase Digital Take-Up

6.5.1 Digital take-up is the percentage of people using services online in relation to other channels, for example paper or telephone.

Digital take Up Measures

Project	Ref	Indicator	Baseline 2018-19	Notes
MySSSC / Website	25	% change of details completed through MYSSSC	62%	Avg ytd at Jul 19: 59%
MySSSC / Website	33	Increased visits to the learning zone referred from the website	4170 (revised baseline figure)	
MySSSC / Website	35	Reduce requests for printed applications	2153	

7.0 FUTURE ACTIONS TO DELIVER AND MONITOR BENEFITS

- 7.1 This Report presents an initial update on the costs and benefits of the Change Programme. As noted in the introduction to this Report, many of the measures are only baseline figures at this stage.
- 7.2 The intention would be for the Executive Management Team to keep the measures under review and to provide a further Report to Council at the earliest opportunity following the compilation of the year-end figures.
- 7.3 In the absence of a business case, it is essential that the Executive Management Team track benefits and savings from both staff costs and running costs. The year-end Report to Council will provide a clear statement on both actual and cost-avoidance benefits and savings.

8.0 RESOURCE IMPLICATIONS

- 8.1 There are no direct resource implications arising from this update report.

9.0 EQUALITY IMPACT ASSESSMENT

- 9.1 We carried out the following impact assessments on those projects that required these and there was no disproportion affect evidenced.

10.0 LEGAL IMPLICATIONS

- 10.1 Failure to provide the financial benefits may present audit challenges as digital development work has already been the subject of a Section 22 notice.

11.0 STAKEHOLDER ENGAGEMENT

- 11.1 Both internal and external stakeholders were surveyed as part of understanding the extent to which some of the benefits have been realised.

12.0 IMPACT ON USERS AND CARERS

- 12.1 Service users access our services through our digital service provision.