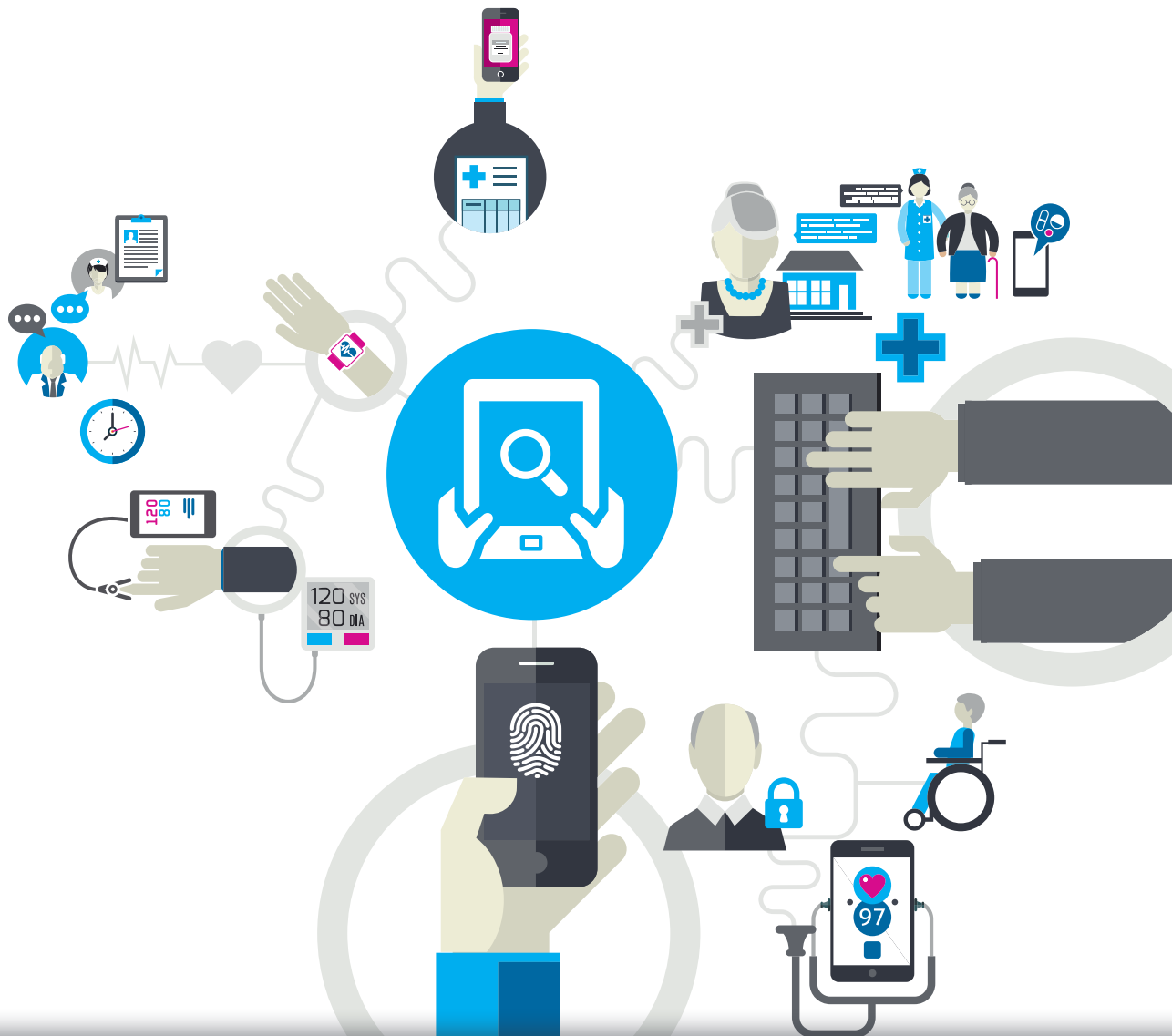


Business case for digital investment



Increasing demands on adult social care from an ageing population combined with increasing cutbacks in public expenditure are putting local authorities with social care functions under tremendous pressure.

Service redesign made possible by investment in digital solutions promises an efficient and effective response which both meets the duties of the Care Act 2014 and helps address the issues from rising demand and expectations. Surely this strategic change in direction is both necessary and inevitable. Why might we need a business case to prove it?

Clearly such a change will require investment in new ICT products and services. Suppliers will be only too keen to promote their offerings in the one part of local public services which now has a need to invest. However, there are many possible pitfalls for the unwary, eg in terms of the potential scale of the investment, the choice of product, the timing of implementation and the acceptability of new systems to those that will use them. A robust and well-argued business case should help steer councils away from those pitfalls and towards solutions that are appropriate to their local environment.

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Rahna Riley

Rochdale BC

Amanda Wilde

East Riding of Yorkshire

Valda Williams

Cheshire East

LEAD AUTHOR

Martin Greenwood

Socitm

EDITOR

Richard Pantlin

ADASS

1. PURPOSE OF A BUSINESS CASE

WHAT IS A BUSINESS CASE?

It is important at the outset to be clear about the purpose of a business case. Our definition is that it should be the document that provides the financial and non-financial justification for investment. In this context it is the investment in digital solutions for managing adult social care at a time of significant legislative change, demographic pressure and public austerity. This combination of critical factors makes it essential that such investment is properly targeted and wisely spent.

It is also important to be clear about scope. The scope may be broad or narrow, but should be clearly defined. On the one hand, it may be that the council as a whole has embarked on a major digital transformation programme which has been justified corporately; on the other hand, it may be that the need is to justify one investment targeted at a slice of adult social care activity. The timescales should also be clearly stated.

It is most likely that adult social care services have done some work in this area. Consequently, they will already have made some inroads into implementing new systems for self-service. The key messages from this briefing should be adapted to local circumstances, taking into account the current position.

In addition, most councils will have their own standards and guidelines for business cases (eg they may expect precise calculations for financial return). Our advice here is not intended to compete or conflict with any in-house rules. Rather, we intend to pose a series of questions to prompt colleagues into checking that important topics have been fully considered and to help them think through what might then have to be captured in their council's business case template.

Our working assumption in this briefing is that the director of adult social care has requested a business case for investing in digital solutions to support improved adult social care. Your circumstances may differ, but common principles in making the justification will apply. We ask four critical questions about the context, demand, costs and benefits that all must be properly examined. We also suggest you think about an agile rather than a 'total solution' approach.

WHY IS ONE IMPORTANT?

The business case should provide the justification for the investment and should indicate a sense of priority. How important, or how urgent, is that investment?

It should also help to provide the right scale of investment appropriate to the stated requirements.

Every council will have its own trigger that promotes the request for a business case. For example, some councils have already made an early investment in products such as e-marketplaces, which have run into problems in not attracting much usage. This may be caused by a range of reasons such as:

- jumping to a conclusion that this was a high-priority solution because of poor analysis of requirements
- implementing too complicated a solution for immediate requirements
- not recognising that promoting the facility was both necessary and likely to incur initial costs
- not engaging sufficiently well with those who will be impacted by a major change in operation.

In this and similar examples, a well-researched business case might have avoided such problems by pointing to clear user needs, to the right priorities and to an appropriate scale of solution.

The November 2015 Comprehensive Spending Review has sharpened the focus for everyone by making further significant cutbacks on local authority expenditure for the next three years. Councils may feel that they have no choice but to invest in digital solutions, if only to achieve the much-needed efficiency. However, they cannot afford not to have a well-argued case for that investment, because there will be for good reason a high level of scrutiny on such proposals in an environment where funding for front-line services is scarce. Any public body should be well-prepared to respond to such scrutiny by having documented the case clearly.

2. UNDERSTANDING THE CONTEXT



Even if councils stopped filling in potholes, maintaining parks, closed all children's centres, libraries, museums, leisure centres and turned off every street light they will not have saved enough money to plug the financial black hole they face by 2020.

Lord Porter, Chairman of the Local Government Association (LGA), June 2015

Whatever the scope of the business case for digital investment in adult social care, setting the context is critical. The three main factors driving self-service nationally that need to be placed in a local context for online social care are:

- an ageing population
- deepening public austerity
- rising expectations from the general public.

These factors have also shaped the legislation enacted in England through the Health and Social Care Act 2012 and the Care Act 2014. The context for a specific business case should point to national trends and local factors in order to help make the proposed solution relevant for the needs of both today and tomorrow.

It is important to make an impact with the figures. For example, the ageing population contributes to rising demand for social care in England, leading to some important trends:

- By 2018, the number of people with three or more long-term conditions is expected to rise to 2.9 million; in 2008 this figure stood at 1.9 million.
- By 2030, the number of older people with care needs is predicted to rise by 61%.
- By 2032, more than 40% of households are expected to consist of people living on their own.
- Over the next 20 years, the number of people aged over 85 will more than double.
- Over the next 30 years, the number of people with dementia is expected to more than double.

Reflecting these trends, the ADASS Budget Survey 2015 makes clear that councils are running out of efficiencies and will make service reductions of £420 million to people needing that care and support. Since 2010 there have been five years of funding reductions, totalling £4.6 billion and representing 31% of net budgets in real terms. There are more than 400,000 fewer people receiving social care services since 2009-10 and, of those who are still supported, a significant number will receive less care. Most directors expect that still fewer people will get access to services over the next two years.

The combination of rising demand and reducing finance makes for an even more dramatic picture, captured starkly in the LGA's future funding outlook published prior to the Comprehensive Spending Review (CSR). The additional powers and funding announced in the CSR are welcome, but are unlikely to be able to make up the shortfall, nor fully deal with other pressures such as the full cost of implementing the national living wage.

Less dramatic but no less important is the gradual rise in people's expectations of faster, quicker and better public services. Here, the rise of the smartphone, social media and immediate access to information everywhere are all factors in raising the stakes in what people expect. If they can book holidays and buy all sorts of goods and services online, why can they not expect similar responses from public services?

Some may say that many of those who receive social care are unlikely to go online for information and services. Undeniably that will be the case, but it ignores other important trends, such as:

- The carers and intermediaries upon whom the elderly depend are more than likely to expect self-service that works and is easy to use.
- Many who are now over 60 and may start to require care over the next few years have acquired online skills and experience over the past 10 to 15 years. (According to Socitm data, 17% of those who used council websites in 2010 were over 60; five years later the figure exceeded 33%.)

Note: Valuable contextual information, as quoted here, can be found in documents from The Kings Fund, National Audit Office and the NHS National Information Board (see back cover for details)

3. MANAGING THE DEMAND

APPROACH TO DEMAND MANAGEMENT

As the title of the wide-ranging report on demand management from the RSA ([Managing Demand: Building Future Public Services](#), February 2014) implies, demand management is very much tied up to the future of public services at a time when increasing demand for services coincides with reducing budgets to deliver them. This forces all public agencies to look hard at the way in which services are provided.

A major factor in every business case for digital investment in social care will be assessing the demand for specific services. This combines both reducing existing demand and forecasting future demand. The two elements are interlinked. If demand is set to rise because of national or local trends, you cannot assume that the way in which existing demand is handled should just continue without serious questions being asked. Budget pressures force you to ask those questions.

The purpose of demand management in this context is to find opportunities to reduce demand and deal more efficiently with unavoidable demand. It is an important mechanism for reducing costs by being more efficient, taking out unnecessary costs of service delivery when services are redesigned for self-service.

It is vital to do this from the customer perspective. Customers do not see their interaction with the service in the same way as service providers, as evidenced by some case studies analysed in the [LGA's July 2013 publication about managing customer demand](#). This report makes a useful distinction between measures that are:

- short-term – removing avoidable demand
- medium-term – redesigning services around customers
- long-term – proactively removing the causes of customer demand.

Short-term actions relate to avoidable contact as a result of mistakes by the service provider. For example,

written communications to large numbers of customers announcing changes to the service might well generate large volumes of unnecessary telephone contact if the message is confusing, written in professional jargon or, worse, contains inaccuracies. Another example comes from poor navigation in web design leading to people having to ring the contact centre for information or services that should be available and easily found online.

Medium-term measures may result from avoidable contacts caused by poor service design and process failures. Demand management is closely linked with the principle of service redesign. A key principle in process redesign is to make sure that it contains the right mix of participants, eg a subject expert, one or more front-line employees who deal directly with the customer, a business analyst providing some independence and experience, all using some direct evidence from customers of the service (the method varying from service to service).

Long-term changes should develop from taking a strategic and whole-systems approach to analysing root causes of problems affecting a group of clients, or clients with problematic and expensive issues, which are likely to affect services of different public sector agencies (eg troubled families). Here, solutions may depend on taking a radically different approach as a result of collaborating with other agencies.

The LGA published in October 2015 a second short report about managing demand in respect of different approaches to social care assessment. It outlines how a few councils are piloting these approaches, which are designed to achieve better outcomes, yet use fewer specialist resources.

EXAMPLE: DEMAND MANAGEMENT AT EAST RIDING OF YORKSHIRE

The council has built into its service review process a discipline of demand management that asks a number of key questions at critical steps.

1. Review of current delivery

- Does the service meet the customer's needs?
- Is this the only way of meeting that need?

2. Review of demand

- Can the volume of demand be reduced?
- Can it be diverted in any way?

3. Review of access

- Can the demand be shifted to a less expensive channel, eg self-service?

4. Review of process

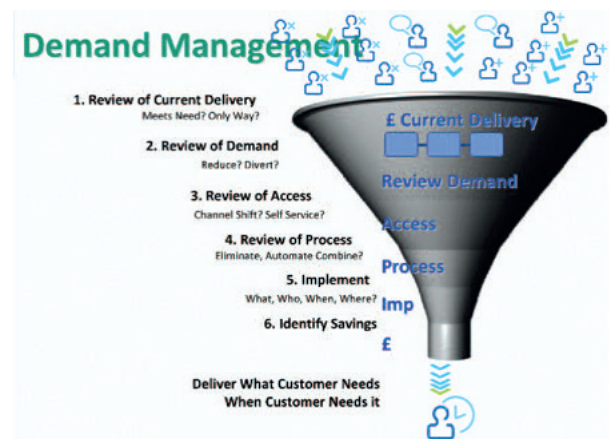
- Can the demand be eliminated, automated or combined in any way with another service?

5. Implement

- What does the customer need?
- Who should provide the service?
- When does the customer need the service?
- Where does the customer need the service?

6. Identify savings

The diagram opposite shows how the net effect of these questions should be to reduce demand through a funnel.



The approach to demand management adopted by East Riding of Yorkshire Council shows the importance of reducing demand before deciding whether it might be suitable for self-service. A funnel is a very appropriate image for the process. It might prompt all kinds of issues, such as:

- linking actual performance to service standards
- setting realistic expectations about the service (eg xx days to agree an appointment)
- letting other organisations do the work of delivering services
- promoting cyclical programmes on the website to educate people in what to expect and when
- increasing the efficiency of the contact that is received
- covering all contact across channels
- deciding what is a legitimate contact (eg prepared to handle or not prepared to handle).

4. ESTIMATING THE COSTS

COSTS OF BUSINESS CASE

The costs of any proposal for digital investment in social care are essentially the costs of making the transformation. Most costs should be straightforward to compile. They should include standard elements such as:

- costs of redesigning processes
- costs of adding any new supporting ICT infrastructure
- employee costs of managing the implementation of new system
- costs of transferring any data from existing system
- any other transitional costs (eg parallel running)

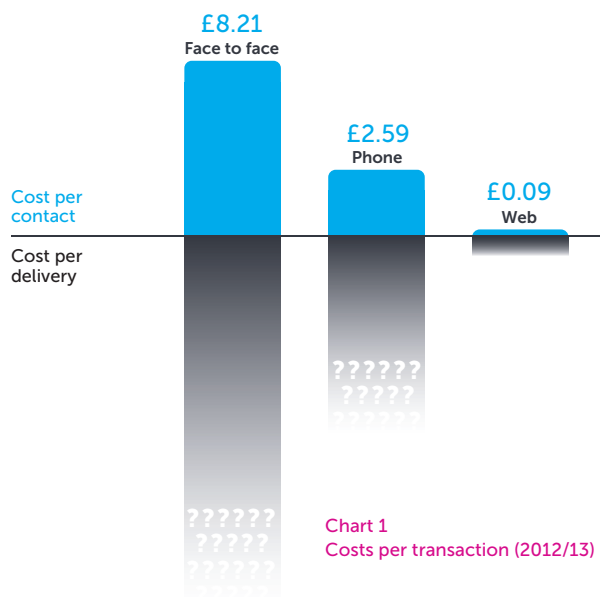
Less obvious costs that might need to be added include:

- costs of promoting new system (eg encouraging people to use self-service rather than continue with offline access)
- costs of any assisted digital scheme (ie helping those who might not readily adapt to self-service for whatever reason).

NOTE:

1. All employee costs should include employer's contributions for National Insurance and pension, plus costs of training and any expenses.

2. All costs should include overheads apportioned appropriately to direct costs.



NOTE: the figures for costs of contact are taken from local authorities who have captured this data as part of Socitm's Channel value benchmarking service (now discontinued).

We can summarise the two levels of cost as being the cost of handling the contact (sometimes described as the front office) and the cost of delivering the service (sometimes described as the back office).

The important point about this model is not so much the precise costs, which will vary by council and over time, but the costs differential, with the costs of web being less than 5% of the costs of phone, which is itself less than one third of the costs of face-to-face contact.

UNDERSTANDING THE COSTS

The data used in Chart 1 relates only to the initial contact made to the council, whether by face-to-face visit, a phone call or a web visit. (Note: moving services to phone self-service such as interactive voice recording is also channel shift, but we have not covered this in the generic model.)

This does not, however, relate to the whole cost of the interaction that in the case of social care might involve:

- a full face-to-face assessment with the person in need (or appropriate trusted third party such as an allied professional or voluntary sector worker)
- the referral of the phone call to a specialist adviser
- the full online transaction, including interaction with potentially any number of back-office systems.

These hidden costs may be both substantial and difficult or impossible to cost accurately. However, the differential in these hidden costs of delivery between the three main channels will be similar, if not even much more exaggerated than in the initial costs per contact shown in the chart.

Even though capturing the full costs is unlikely to be achieved, the capture of the initial costs is well worth doing, because this provides some useful guidance to what can be saved at the first step (eg costs of contact centre employees). In particular, it is helpful for showing the costs in just providing information, rather than the full transaction. On the web it is extremely cheap, on the phone it is much more expensive and with face-to-face it is extremely expensive.

SPECIFIC COST MODEL FOR YOUR COUNCIL

The business case might well be able to indicate significant cost savings just in the initial contacts, but that depends on your council having the data to support the savings, based on the unique factors at one organisation. However, if the quality of current data is poor or the implementation timescales are urgent, it might be useful to use the figures provided in Chart 1. These generic costs should only be used as a broad guide, as they might ignore important local factors, especially for offline costs such as:

- the number, size, location and recent investment in face-to-face outlets
- the number, size and recent investment in contact centres
- the degree of outsourcing for any of the main channels.

In principle, the calculation is not complicated.

$$\frac{\text{VOLUMES OF CONTACT}}{\text{COSTS OF CUSTOMER ACCESS}} = \text{COSTS PER CONTACT}$$

VOLUMES

Volumes provide the first part of the equation. Data should be collected about the whole business of managing social care activity. In particular, this should include customer access data, ie the number of contacts made by customers, whether clients, carers or other intermediaries. This must include all offline and online contact, because shifting offline contacts online will drive savings and help to make the business case.

Offline contact should cover both face-to-face and telephone contact. Each council will have its own arrangements for managing both that might include centralised customer service centres, local centres, shared services and outsourced savings. Whatever the arrangements, it is vital to know how many contacts have been made and for what reasons. It may not be possible to cover every single possibility, but the 80/20 rule can be applied to focus on the most frequently used services, ie 80% of the benefit comes from the top 20% of cases.

Online contact should cover all relevant web visits, however the websites are defined and managed. The web visit is by far the most useful indicator, because there is a standard definition which makes it comparable across organisations and because it equates neatly to the offline equivalent of a face-to face contact or a phone call. Other possibilities such as page hits are of no real value in terms of managing channel shift.

In addition to customer access data, the other indicator of volume that is needed to shape the business and monitor performance is the number of business applications. In terms of adult social services, this might cover, for example, the number of assessments made.

COSTS

The second part of the equation relates to costs. The table below sets out the elements of cost to be included. The terminology reflects the CIPFA *Service Reporting Code of Practice* and will be familiar to the accountant who supports adult social care.

1 Employee costs

Should include administrative support staff who are part of the service (eg secretary, PA) and management costs up to and including a proportion of director of service, but not beyond this). Costs should include: overtime and allowances, direct recruitment costs (advertising, interview expenses, relocation expenses), direct training costs (course costs, travelling costs, etc).

2 Transport-related expenditure

Employee travel expenses

3 Supplies and services

IT equipment purchase and other supplies and services

4 Third party payments

Payments to an external provider in return for the provision of a complete service, eg outsourcing. Also to other local authorities or to a private sector supplier, for providing a shared or 'bought-in' service.

5 Premises-related expenditure and support services (overheads)

These cover insurance, legal support, human resources, finance support such as payroll and creditors, internal audit, premises-related expenditure, etc. It can be difficult to obtain these costs for some of the services; if unable to do so, add a figure equal to 5% of the total.

6 Capital financing

Should be obtained from accountant supporting adult social care.

Not only does this provide a cost model for self-service, the calculation of a unit cost also provides a way of measuring the potential financial benefit of self-service. In other words, it enables you to indicate that, say, 1,000 contacts moved each month online from offline might lead to a specific level of savings in a full year.

5. ACHIEVING THE BENEFITS

RANGE OF POTENTIAL BENEFITS

The crux of the issue in any business case, and certainly one in the current environment for social care, is the statement of benefits. Any debate about the business case when it is presented to decision-makers is very likely to focus on the benefits that are claimed. It makes sense, therefore, that benefits are well researched and well evidenced.

Wherever possible, these should have figures and £££ attached. This may be a tall order because there may not be the culture in social care to measure benefits in such a way for any programme of change. In the case of ICT-enabled change, very few councils are yet in a position to report on the benefits that they have achieved with online social care. Most are only in the position of making their claims about the benefits from investments that have, for example, anticipated the Care Act.

It is important to think of benefits in terms of improvements from the new system for the organisation and from better outcomes for the service user.

IMPROVED RESULTS FOR ORGANISATION

Some benefits may be relatively easy to translate into firm savings, eg saving the costs of existing systems, but most may appear intangible, although no less real. They might include a wide range of potential benefits:

- convenience of 24 x 7 access to information and services
- avoidance of using intermediaries (contact centre staff) for the simpler tasks
- ‘freeing-up’ of frontline staff to concentrate on more complex cases
- ability to absorb increased demand without incurring further costs
- efficient signposting of the public to preventative services.

At a lower level of detail it is also important to recognise clear advantages of doing things online:

- It should be more accurate, leading to better decision-making and faster responses.
- It should provide an audit trail of what happened when.
- And, of course, it should be cheaper (as demonstrated via the cost model for channel shift covered in this briefing).

ORGANISATIONAL BENEFIT: EXAMPLE FROM TYPICAL BUSINESS PLAN

CARERS:

- 888 assessments in year 1, rising to 1,054 (gradual take-up)
- 49% not eligible for support
- Therefore 432 assessments not resulting in service, rising to 513
- Savings will be on in-house assessment capacity not voluntary sector
- Unit cost of in-house single carer assessment £151
- If 20% use self-assessment, annual saving £13k, rising to £15k
- If 25%, annual saving £16k, rising to £19k
- Therefore, average annual saving against ‘do nothing’ = approx £15k

IMPROVED OUTCOMES FOR SERVICE USER

From the viewpoint of the service user there are a wide range of potential improvements in outcomes, covering:

- faster approval and installation of home adaptations
- improved ability to live independently
- better quality of life for people with dementia
- reduced need for domiciliary care
- reduced admissions and readmissions to hospital
- reduced stays in hospitals
- improved tracing of missing children
- faster approval of ‘would-be adopters’
- increase in adoption rates
- empowerment of service users and their carers.

MEASURING BENEFITS

Having collected information about benefits for a specific proposal, councils are well-advised to build on this by putting in place a process for measuring benefits on an ongoing basis. Primarily, this would help greatly in monitoring the success of the projects. The nature of any digital activity is that there will be many twists and turns, requiring changes that needs measuring (eg the impact of specific promotions, assisted digital schemes and minor improvements of the service).

A secondary effect is that measuring benefits systematically will also increase confidence when the business case is presented for the next slice of digital investment.

It is important to think carefully about what indicators should be collected to form an effective dashboard of performance. They should, for example, track clearly the levels of online take-up, service by service, to compare with offline take-up (face-to-face and telephone). They might also usefully include failures in doing things online.

THREE CASE STUDIES

We have selected three relevant case studies which are described overleaf. Since online social care is still at a relatively early stage of development, these include two examples from other local authority services where much firmer evidence of channel shift exists.

- The first for online school admissions highlights the importance of identifying specific benefits, rather than just general convenience, by talking with service users about their experience of the online service and recording their comments. It is important to think about the benefits to the service user, because, if well promoted, they will sell the case by encouraging take-up. This example is particularly relevant because many at the time believed that an online service would not work for many parents, just as now many believe that self-service for social care will not work for its intended audience.
- The second from Rochdale Borough Council about online housing benefits shows what can be achieved through the determination of one critical person when fully supported by the management team. This example is particularly encouraging when considering the business case for online financial self-assessment.
- The third from Cheshire East Council stresses the need to think seriously about the potential benefits for different stakeholders and to identify a range of benefits that will lead to all-round user satisfaction. This statement of benefits neatly captures benefits in terms of improved results for the organisation and improved outcomes to the service user.

Both school admissions and housing benefit claims are critical services for people at the time when they need them, but they are essentially administrative services. Adult social care is more complex because it deals with changing people's lives in a range of different ways and the service is much more interactive between the service user and provider. This means that any service transformation based on going digital must consider outcomes for the service user.

Further examples of benefits from channel shift can be found in the June 2014 LGA publication *Transforming local public services: using technology and digital tools and approaches*.



CASE STUDY

ONLINE SCHOOL ADMISSIONS

In the time of the local e-government programme, ODPM, the predecessor government department to DCLG for local government, funded a national project to promote online school admissions, which is now the standard way for all parents to apply to schools for their children. In the work led by Hertfordshire CC some research was carried out into the benefits of this application of self-service. From talking to parents it identified some specific benefits:

- an immediate and reassuring confirmation that the application had been received, compared with the lack of acknowledgement of a postal application, which created uncertainty and anxiety
- corrections in real-time of basic data entry errors that with a postal application involved a cumbersome correction process, leading to confusion and delay
- an elimination of any delay with the notification of the successful application
- overall confirmation that the new system was indeed very easy to use.

The lesson from this experience is to understand the specific benefits of each type of online transaction, because this will help to sell the benefits of self-service to those customers and employees who may well have doubts, reservations or more fundamental disagreements about doing things online. These messages can then, of course, be used for promotional material.

Finally, the average online take-up for 152 councils in England is 84.2% with 11 achieving 99% or more.

CASE STUDY

ONLINE HOUSING BENEFITS AT ROCHDALE BC

In April 2008, Rochdale procured a system for online housing benefits, but the web team was not involved. In 2011, a new web manager was appointed. One of her first tasks was to build up the online take-up from an existing level of 18% of claims to a target of 60%. After an initial period of making substantial improvements to the usability of the online service (see Briefing 2 on developing the user journey for how that was achieved), the web manager's commitment to the task led to just about 100% take-up (except for a handful of claimants who are in either hospital or prison).

The prospects were not encouraging. Rochdale is an urban area with high levels of deprivation, with over 27,000 people in the borough claiming housing benefit. Moreover, some colleagues in customer services and revenues and benefits were strongly of the view that benefit claimants would never apply online for housing benefit, some being quite hostile to the idea because of a perceived risk to job security.

Since 2012/2013 almost all claims made directly to the council are now made online. This channel shift was achieved within a very short period of six months and was believed to be one of the highest levels of online take-up across the UK in the shortest time. Other benefits that this has helped to deliver include:

- reduction of face-to-face contact by approximately 70%, leading to fewer staff, closing of buildings and integration of customer services in libraries
- improvements in face-to-face contact with waiting times reduced and more effective management of demand (eg use of triage and appointments)
- reduced back-office workload for revenues and benefits (eg fewer claims received as use of an online calculator function eliminates the number of potential claimants and time spent in assessing and validating claims
- more customers doing things online helps realise channel shift benefits in other services.

One startling impact of the change was the greatly reduced workload in the customer contact centre. Appointments dropped from 3,200 in 2010/11 to just 36 in 2014/15 and this contributed to a reduction of customer service employees from 30 to 8.



CASE STUDY

ONLINE SOCIAL CARE AT CHESHIRE EAST

Using information collated from a range of work programmes (eg Care Act Programme Board requirements, Regional AIN meetings, Care Act task and finish groups, TLAP and other published guidance, the Cheshire East Better Care Fund and Tech 2 Fund bid for the Cheshire Care Record), Cheshire East Adult Social Care has made a commitment to the following statements, to ensure that its future model of care and support services deliver the practical outcomes to citizens:

People will agree that *'I am supported to live well and stay well because I can access joined-up care and support when I need it'* and the following statements reflect their experience of local care and support:

- *I am in control and treated with dignity and respect.*
- *I feel part of a tight-knit team that works with me and tackles any obstacles to getting the help I need.*
- *I only have to tell my story once.*
- *I don't have to wait for a crisis to get the help I need.*
- *I know that I, my family and carers have the support and information to help me.*
- *I only need to go to hospital when I need to and have access to quality support in my local community.*
- *I am in control of what happens to me.*

With **improved outcomes** that seek:

- improved (better compared to with current baseline) experiences of care
- improved (exceed national best practice benchmarks) clinical and care outcomes
- reduced health inequalities (better access to hard-to-reach groups)
- increased range of low-level support services.

Commissioners have agreed that the following objectives have been achieved:

- We don't let organisational boundaries get in our way of what is right for our communities.
- We jointly invest in the things that our residents need and the things that work.
- We work as a team and rarely plan or commission as separate organisations.
- We work to a shared plan that will help us secure good outcomes even as demand for services rise and budgets reduce.

Providers will tell us that the new system displays the following features:

- We work in an environment that helps us put people first.
- We are given the permission to imagine, experiment and learn.
- We work like a single organisation with joint systems, staff and ways of working.

With **improved outcomes** that seek:

- improved utilisation of services (including reduced use of acute and residential care and increased use of primary and community services)
- better use of financial resources through improved productivity because of the reduction of duplication, waste and variation and the opportunity to draw on resources from other sources
- achievement of the national outcome for integration to support sustained health and social care organisations and services
- collaborative working across organisations.

6. TAKING THE AGILE ROUTE

BENEFITS OF AGILE

One of the inherent problems in making a business case over three to five years for an investment in digital solutions is that the planning assumptions are almost certain to change for a variety of reasons:

- Timescales for implementation may be delayed.
- The priorities for adult social care may change.
- Any project in the programme may run into difficulties.
- Anticipated benefits may be poorly understood at the outset.
- The new system may not be quickly accepted by employees who need to use it.
- The new system may not be easy to use for self-service.
- The market may create new products or versions which supersede previously released software.

Whatever the reason, the business case may in hindsight start to look very shaky, leaving all involved vulnerable to later reviews and audits. There is a strong case for taking a different approach based on an agile methodology for system development and implementation. This reduces greatly the risks of starting off with unrealistic assumptions that are hard-wired into the business case.

In terms of a business plan, the agile approach would identify shorter-term targets, building the justification on the next phase ahead, rather than the total system.

With such an approach, any initial business case can afford to be less rigorous about both costs and benefits, because these can be reviewed at the end of each phase. More importantly, putting users at the centre of development processes should lead to more appropriate, realistic and achievable requirements being defined than might apply with a more traditional approach. This should also ensure that both costs and benefits are more realistic.

One possible barrier to using an agile methodology is the use of third party software procured from a supplier, which may be an assumption behind many business cases for online social care facilities. Procuring such software lends itself much less well to an agile approach, because it is likely to eliminate the possibility of prototyping.

AGILE METHODOLOGY

Agile is increasingly used by both central and local government for managing major ICT-related projects. The Government Digital Service (GDS) has been a very strong advocate of this approach, which is built on four principles:

- Modularity
- An iterative approach
- Responsiveness to change
- Putting users at the core.

Translated into a new management approach which would reshape the notion of a business plan, GDS have documented the following four phases:

PHASE 1 DISCOVERY

A short phase, in which you start researching the needs of your service's users, find out what you should be measuring, and explore technological or policy-related constraints.

PHASE 2 ALPHA

A short phase in which you prototype solutions for your users' needs. You'll be testing with a small group of users or stakeholders, and getting early feedback about the design of the service.

PHASE 3 BETA

You're developing against the demands of a live environment, understanding how to build and scale while meeting user needs. You'll also be releasing a version to test in public.

PHASE 4 LIVE

The work doesn't stop once your service is live. You'll be iteratively improving your service, reacting to new needs and demands, and meeting targets set during its development.

Source: [Government Service Design Manual](#)

7. PRESENTING THE TOTAL PICTURE

THE EXECUTIVE SUMMARY

The hard work behind many a business case may be spoilt by not providing an appropriate executive summary. The RSA report on demand management stresses the importance of finding the right local narrative that particularly reflects the way of thinking of elected members who will need to support what may be significant financial investment. The choice of language is critical. For example, the report suggests that the very term ‘demand management’ smacks of an officer-led agenda and might not work for local politicians and the general public.

Here are some other tips about such a summary:

- It should aim to cover the salient points in no more than one or two pages.
- It should be placed at the start of the business case document so that readers see quickly its key messages.
- It should cover briefly the background, a summary of what is proposed and the four topics of context, demand, costs and benefits.
- Its main emphasis should be the benefits, because those being asked to decide on the proposal will need to focus on why should this proposal go ahead.

One final point worth remembering is to ensure that, if the business case goes ahead, then systems for recording and realising the expected benefits should be set up. This would enable for the success of any subsequent implementation of plans to be measured. Any claims about benefits arising from a new business case in the future can then be made based on greater confidence.

NEXT STEPS FOR YOU

Business cases come in all shapes and sizes, depending on their scope and their starting point. We have suggested that at the heart of each there should be four topics that must be properly examined and one final point also at least considered.

The table below summarises the critical questions covered by this briefing that need to be asked about each topic.

TOPIC 1 CONTEXT

KEY QUESTION

Have you provided a clear context for your proposal that incorporates both national trends and local factors?

TOPIC 2 DEMAND

KEY QUESTION

Have you identified how the proposal can reduce demand in the short, medium and long term?

TOPIC 3 COSTS

KEY QUESTION

Have you fully costed out the total change involved in digital transformation of services?

Have you produced your own cost model for channel shift, which will also help the benefits case?

TOPIC 4 BENEFITS

KEY QUESTION

Have you really seriously thought about the benefits of your proposal in terms of improved results from the system and improved outcomes for the service user?

Have you put in place a process for measuring benefits on an ongoing basis?

TOPIC 5 AGILE

KEY QUESTION

Have you considered the advantages of an agile approach to service redesign?

FURTHER INFORMATION

- [*Managing customer demand: understanding and changing behaviours to help meet the financial challenge*](#) (The LGA, July 2013)
- [*Government Service Design Manual*](#)
- [*Managing Demand: Building Future Public Services*](#) (RSA, February 2014)
- [*Adult social care in England: overview*](#) (National Audit Office, March 2014)
- [*Transforming local public services: using technology and digital tools and approaches*](#) (The LGA, June 2014).
- [*Making the case for public health interventions*](#) (The King's Fund/The LGA infographics slide set, September 2014)
- [*Personalised health and care for all 2020*](#) (NHS National Information Board, November 2014)
- [*Future funding outlook for councils 2019/20*](#) (The LGA, June 2015)
- [*Managing demand and delivering differently: responses to the assessment capacity challenge*](#) (The LGA, October 2015)
- [*Service Reporting Code of Practice*](#) (CIPFA, December 2015)

Socitm Insight

www.socitm.net

- [*Demand management: the key to reducing costs?*](#) (Briefing 57, Socitm Insight, September 2013)
- [*Better with less: delivering local public services in the digital age*](#) (December 2013)
- [*Redesigning health and social care: challenges and opportunities from an IT and digital perspective*](#) (January 2015)
- [*A PRINCE for our times?: getting the best out of Agile development with DSDM*](#) (March 2015)

Engaging Citizens Online

List of briefings: topics

-  **01** *Identity and authentication*
December 2015
-  **02** *Methodology for developing the online user journey*
December 2015
-  **03** *Business case for digital investment*
-  **04** *Planning online transactional facilities*
-  **05** *Supplier offerings of social care self-assessments*
-  **06** *Supplier offerings of social care financial assessments*
-  **07** *Examples of effective use of national information sources*
-  **08** *Examples of good practice of e-marketplaces in operation*
-  **09** *Promotion of online services*
-  **10** *Role of third sector and care providers*