Digital Strategy
Business Case

June 2018

Ealing
www.ealing.gov.uk

Executive Summary

In 2017 Ealing Council outlined its digital strategy. A strategy that aims to support the digital customer, a digital council and a digitally enabled place.

Now has come the time to invest in that strategy, implementing technology that supports particularly digital customer and council. Without the investment in digital strategy it is likely that the technical debt, that is decisions that we have made over time through avoiding system investment and making do have become more difficult to fix and are reducing the options we have for service and customer improvements.

To re-enable more options in the medium and long-term we need to invest in our systems now, responding to the changes in technology and how customers can and wish interact with us, twenty-four hours a day, every day of the year.

Our proposal to this is a fully functional customer relationship management system that as well as having the ability to service the goals of customer channel shift will integrate to our best of breed systems and support further end to end process automation. The central theme of the solution being a set of core processes that can be tailored to specific business needs by simple changes to their configuration but in general the processes will be the same across the Council for 'Apply for it' that includes 'Assessment' and potentially 'Appeal', 'Request-it', 'Book-it', 'Pay-it', 'Report-it' and 'Find-it'.

This is not a small investment. Our proposal will cost the Council £11.342m in Capital and £3.105m in Revenue. However, this will be offset within the same timescales with identified savings of £3.274m per annum once implemented.

The investment in Digital Strategy will be paid back through savings generated over a seven-year period.

Our digital Strategy can be used to increase resident and citizen satisfaction with our services and improve their engagement with the Council. It has identified that moving to a digital environment will enhance service automation, internal and external performance management, shifting service provision and management of service growth.

Digital strategy is a cross-cutting theme for our Future Ealing approach – we believe that by enabling people to use digital means they will have more control over their lives, make it easier to access our services and give insights to support decision making. We can transform how the council operates and delivers services.

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1. Purpose

This document provides the business case for establishing a programme for Ealing Council that meets the three key delivery areas of its digital strategy, that is:

Digital Customer: Customers will be able to easily connect with Ealing Council at a time and place convenient for them. They will only need to tell us once and can be confident that Ealing will get it right first time.

Digital Council: Staff will be enabled through culture, information and technology to provide a world class service to all Ealing residents and businesses. Joined up data and the customer experience will guide the way we do business, with an open by default approach to data.

Digital Place: People living, working in and visiting Ealing will have access to the benefits of a digitally enabled society and digital will facilitate greater community participation and informed decision making.

2. Background

This business case sets out the work and finances required to deliver Ealing Councils digital strategy focusing on customer and council operations incorporating place where possible. It sets out costs, timescales and benefits for the programme with priority given to projects and technology to digitally transform services.

Costs have been derived from consultation with suppliers and the internal agreement on a technical system recommendation to deliver substantial service and cost improvements. The costs are benchmarked against other councils' initiatives as are potential savings.

Financial modelling has been completed, as well as using the previously stated benchmark data to establish improvements and develop the return on investment. Further work including 'pilot projects' will take place to hone the validity of the model and its accuracy.

3. Introduction

In April 2017 Ealing Council set out its digital strategy to 2020/21 – Future Ealing, in which the application of 'Digital Strategy' was a cross-cutting theme.

Future Ealing is an organisational approach that will ensure that we focus on the outcomes that matter most to our community. It is about agreeing what we want Ealing to look like in the future, and the cultural shift we need to make in how we work both as an organization and in partnership to deliver that vision. We know there are social outcomes where we need a step change in performance and the way we work, for example, managing the rising demand for key areas like homelessness in the context of shrinking funding.

We want to use that focus on outcomes to inform everything we do; the way we work together, how we set our budget, develop our workforce, use IT and technology and how we tell our story to staff, partners, local businesses and residents. If we are to achieve a successful 'one public service' which is focused and responsive to residents' needs, then it is imperative that we tackle the challenges and optimize the opportunities of digital transformation.

Digital strategy is a cross-cutting theme for our Future Ealing approach – we believe that by enabling people to use digital means to have more control over their lives, to make it easier to access our services and give insights to support decision making. We can
transform how the council operates and delivers services.

4. Strategic Vision

The digital vision for Ealing is;

'A connected place and smarter services for residents, visitors and businesses'

Considering the identified drivers and opportunities for digital, we have prioritised the three key areas of; digital customer, digital council and digital place. For each area, there are supporting principles that guide the decisions we make and the way in which we will deliver to achieve our vision.

For the digital customer, the principles are:

- We will put residents at the heart of designing and improving digital services.
- We will develop digital services to be better connected, accessible and convenient for residents.
- We will use digital solutions to help us to get things right first time.
- We will design digital services that are easy to use, so residents choose to use them.
- We will provide support for those who need extra help.

For a digital council, the principles are:

- We will put residents at the heart of how we design better connected Council services and decision making.
- We will develop the digital skills and confidence of our workforce.
- We will exploit digital tools to enable our staff to work flexibly and operate where required.
- We will ensure every digital interaction will be safe, secure and appropriate.
- We will comply with data protection legislation.
- We will have an open by default approach to data.
- We will turn data into intelligence, sharing internally and with partners to improve experiences, outcomes and service delivery.

And for digital place they are:

- We will promote the benefits of digital opportunities for all.
- We will influence and enable partners, developers and broadband providers to deliver digital infrastructure.
- We will explore how to use digital services to bring financial benefits for residents.
- We will support Ealing businesses to have the digital skills and capabilities that they need to thrive.
- We will explore smart-city technology to access real-time data about what is happening across the borough.
- We will use technology to connect people to each other, to local decision makers and to improve their local neighbourhood.

This business case deals with delivering digital customer and digital council.

5. Strategic Drivers

There are three strategic drivers for digital strategy. These are outlined below.

5.1 Deliver Better Outcomes

Understanding need and future demand: Using digital technology to improve outcomes for our residents and businesses. Sharing data with our partners and turning that data into intelligence will enable us to make better decisions and intervene earlier to deliver improved outcomes for our residents, especially for those most in need of our help. Joining up and analysing data could enable us to predict, for example, a household at risk of becoming homeless. By using that information, we could provide earlier intervention and support.

Widening Access: During 2016, the Council continued the delivery of an online customer portal and through additional functionality 57,000 new customers registered and actively used the portal to access council services. One of the aims of the digital strategy is to provide more services to customers online which will enable residents to access relevant services 24 hours a day, seven days a week from wherever they are. It's our aim that residents will choose to use online services because it will be easier, quicker and more accessible for them rather than using traditional methods.

Improving services: Digital technology can change how we provide services. For example, technology can change the delivery of care services and deliver better outcomes for people who use services, including helping people to manage their own conditions, providing opportunities to mobilise the collective intelligence and energy of residents and addressing social isolation and loneliness by connecting people to family, friends, local networks and services.

5.2 Future Customer Expectations

Changing expectations: The digital revolution has already had a profound effect on all aspects of society, and the pace of change is unrelenting. Our 2014 Residents Survey saw significant increases in numbers of respondents accessing the internet using smartphones (7% in 2012; 38% in 2014) and tablets (3% in 2012; 23% in 2014). The range and expectations of access channels continues to grow with social media and web chat increasingly part of the expected customer experience.

Shaping services around the customer: Digitisation offers more than just improved one-way services provided to customers; it also gives us the opportunity to develop new channels for customers to speak to us, and others, about the services we provide. We can then take this intelligence and use it to ensure our services are continually being reshaped by the needs of our customers as they emerge. Having access to high quality data enables us, alongside other public services partners to more effectively plan and deliver services that our customers need and want.

More active and engaged citizens: Technology has reduced the distance between residents and Government, raising expectations about the transparency of data and speed of response to issues raised. It has also empowered individuals and groups to act to improve the community.

Flexible and mobile workforce: Through our Information and Communication Technologies (ICT) and accommodation strategies, including the plans to move to a smaller purpose build new headquarters building, we are committed to a more mobile and flexible way of working where staff can access systems from anywhere and where 'work is something you do, not somewhere you go'. This is critical to meeting customer expectations for interaction but also to boosting productivity and attracting and retaining the best talent.

5.3 Cost Effectiveness and Targeting of Resources

Driving efficiency through improved experience: By making the most of digital opportunities, we can make improvements that also save money. Financially over the last six years we have seen massive reductions in our government grant, which has required us to identify£168m of savings since 2010. As such, a main driver for developing a digital strategy is our need to spend public money more effectively. In realising our digital ambition, residents will experience a better offer from the council which is more efficient, enabling the council to sustain an offer of face to face support for those who need it.

A recent report by the research institute Nesta states that if average savings from digitisation programmes can be replicated across local government, an average unitary council could save up to 13 % of its total budget by 2025. And it goes further; for ambitious councils willing to transform everything they do (from procurement to how they organise) the potential saving could be much greater – up to 30% according to some estimates.

The savings available through encouraging more of our residents to use digital services to connect with us are significant. National figures from Society of Information Technology Managers (SOCITM) state that a digital transaction costs Councils around 17p whereas every face to face contact costs on average around £14. It makes sense to encourage customers to access services through digital means which will generate savings and allow us to prioritise the provision of a 'human touch' for those services that may require face to face interactions. Recognising that, for a small number of residents, accessing council services through digital means is harder and we will need to provide support for those people who will need help to access services.

Culture shift in partnership working: The cultural shift in the way we work applies not just to the council, but to partnership working across Ealing. Whether we are collaborating on local community services, facilitating digital improvements for Ealing-wide businesses or working on improvements at a West London or pan-London scale, digital strategy is key.

6. Strategic Programme Objectives

Strategically the development of our transformation will meet the following Digital Strategy objectives and outcomes.

6.1 Digital Customer

Strategic objectives:

- To create an exemplary customer services, offer by creating accessible, better connected and easy to use digital services.
- To ensure we influence and adapt to customer demand and achieve the right resolution.

In doing this we will:

- Adopt the Local Government Digital Service Standard to drive transformation of services.
- Develop a business case for the investment needed for our ICT architecture and capacity to deliver our digital strategy.
- Create a digital design model that can be continuously improved to deliver the following customer experience:
    - o Secure/verified sign on to council services.
    - o Easy navigation of our website, with accessible and up to date information.
    - o Visibility of all transactions with the council.
    - o Only need to 'tell us once' about information.
    - o Easy to submit information and documentation.
- Standard platforms and processes for applications, bookings, verification, reports, service request, payments, content management and assessment.
- Regular feedback until requests are fulfilled.
- Proactive information/messages based on service.
- Review how our customers interact with the council (the 'customer journey') prioritizing those linked to our Future Ealing outcomes.
- Implement a programme of redesigned digital priority customer journeys and the back-office processes that support them.
- Implement the ICT architecture (i.e. Customer Relationship Management) required to deliver the experience our customers expect.
- Rationalising and integrating our systems so that we have a single view of the customer.
- Use our customer insight to understand and identify need, reduce customer demand, resolve failures and pro-actively deliver services.
- Continue to provide support to enable our customers to access services and transact online e.g. by helping customers to 'self-serve'.

6.2 Digital Council

Strategic objectives:

- To maximise the effective use and sharing of data and intelligence to improve and coordinate public services.
- To develop the Council's digital skills, tools and culture to transform how services operate and interact with residents.
- To develop digital tools and platforms that enable services to operate digitally.

In doing this we will:

- Develop our digital channels including social media and customer insight to provide personalized and two-way engagement with citizens

- Use data analytics to create the intelligence to target services, improve outcomes and tackle fraud
- Work with partners to explore opportunities – including sharing data and intelligence - for digital to deliver a 'one public service' approach to service delivery
- Support the digital integration of health and social care services
- Maximise the effective use and sharing of data and intelligence including embracing Open Data
- Support mobile and flexible working for staff in line with the requirements of their role
- Maximise the use of new engagement and collaboration tools to manage information effectively within the organization and increase staff engagement and productivity
- Develop managers, staff and councillors to be digitally skilled and confident
- Rationalise and review our technology requirements so they are fit for purpose and we have fewer independent line of business systems
- Explore at an early stage the potential of emerging digital technologies, including voice recognition and artificial intelligence, and be open to adapting these quickly

6.3 Digital Place

Strategic objectives:

- To use Council's powers and influence to provide fast and effective digital infrastructure for residents, businesses and visitors.
- To explore how to exploit digital technology to make the borough a better place.
- To reduce digital exclusion by providing digital skills and access to digital services

In doing this we will:

- Develop a digital infrastructure standard for all new developments through planning policy.
- Provide a fast track highways service to broadband providers to facilitate Ealing's access to the fastest available speeds.
- Influence providers to maximize coverage in ultra-fast broadband and wi-fi.
- Provide free wi-fi in all publicly accessible council buildings.
- Explore opportunities to support the development of the high growth digital sector in Ealing.
- Exploit the opportunities offered by assistive and innovative technologies to support residents to remain healthy, safe and independent.
- Exploit the opportunities smart city technologies and data use offer, including supporting sustainable transport and better air quality.
- Support local businesses to access the benefits of digital through business hubs.
- Influence providers to develop digital access to deals financially beneficial for residents, e.g. utilities.
- Develop and support platforms for residents to help each other and co-produce community solutions through volunteering, fundraising and community led projects.
- Influence the provision of digital skills and literacy support so it meets the needs of identified excluded groups.
- Enable access to digital services for identified excluded groups.
- Work with local voluntary and community sector organisations to support their digital development and their work with vulnerable client groups.

7. A System of Intelligence

Key to our strategy is the creation of a 'system of intelligence' not a 'system of record'.

A system of intelligence combines software and hardware with data and human input that allows us to run and manage services that are insightful and focused on the needs of the citizen.

The key differences in the system of intelligence compared to the systems of record we have now are shown in the table below.

Key Attribute	System of Record	System of Intelligence
Users	Internal Employees	Everybody and Everything
Interface	PC based menu driven. Users must learn how the system works.	Any device, highly engaging and intuitive. No training required.
Application	One to many, users learn the system.	One to One. The system learns the user.
Process	Supports the business with horizontal standardised processes.	Runs the business – central to the service experience. Vertical, unique processes.
Data	Mostly internal sources stored as historical records.	Mostly external sources with real-time input and output. Continually and automatically renewed for insights.
Infrastructure	Housing in internal data centres and processing units.	Hybrid model, utilizing internal data centres and cloud computing resources.

Table 1: System of Record versus System of Intelligence

What is key to our digital shift is that it is centred around the citizen and people of Ealing. Our system should get out of the way and help them and us achieve both our goals.

We must emulate the great services that are used outside of local government and look to how Netflix and Amazon operate including the use of 'design thinking' to deliver future products that people want to use and seamless fit into the context of their needs. This methodology is further developed when later discussing 'Assisted Transport' and the digital discovery that has been completed the insights that this has produced indicate that key for our system is that:

- It is smart not dumb – it must use data from a wide range of sources to show us insights into delivery and strategy.
- It is open not closed – an open system that can be used by all is more valuable than closed systems that drive poor collaboration and use.
- It is smart hands and not just automation – there are lots of things that smart systems cannot do and we must make sure that we get the best use out of our people when they are part of the system.
- Narrow not broad as required – when analysing and changing our processes we must identify where we have meaningful impacts in our services and focus on these.
- One to one not one to many – our citizens use of our systems need to be tailored to them and be unique giving individualised experiences.
- Bespoke – what works in Harrow may not work in Ealing. Following what other councils do and what is recommended by consultants may not work for us. We must be prepared to do things differently.

As a council, we collate and amass an extensive amount of data about our citizens and our place.

Our systems will use this data to analyse what we do and how we do it so that we can predict services that are required and improve the effectiveness of those we already do.

8. Technical Recommendation

Working with our partners and investing in consultancy to help us design a system that works for us we are recommending a 'rich' Customer Relationship Management approach. That will enable us to gather data from each customer interaction. That in turn enables us to deliver the services our citizens require within the finances that we have.

Our solution is based on six core systems in a hybrid systems model, utilizing internal data centres and cloud computing resources.

The six core systems are:

1. Finance and payments using Agresso and Civica systems.
2. Building Control and Regulatory services using iDox and Planning system.
3. Education using the Tribal/Synergy system.
4. Revenues and Benefits using the Northgate Citizen Access system and iWorld and Iclipse.
5. Social Care using the Mosaic system upgraded from Frameworki.
6. Housing using the Open Housing Management System.

8.1 High-Level Design

Through using design thinking we have identified six core processes that customers use to access services. These are:

- Apply for it – applying for any service. Note that included in any application process will be elements of assessment and appeal to ensure that when our staff receive applications data it will have been preliminarily completed with if possible outline proposals/decisions.
- Book it – If at any time an appointment is required or necessary following an application or request. The booking will be completed online and matched when possible to the resources we have available.
- Find it – Many calls and visits to the council are because citizens cannot find the information they require. As we invest in our technology we need to ensure that information and service applications can be easily found in multiple ways. Maximising the information, applications, payment, requests and reports that can be found and completed these on-line reduces the need for telephone and physical contact.
- Pay for it – Many citizens want to quickly pay for services or invoices. We will ensure that they can do this by ensuring that on-line channels exist for all payment types for every service the council provides.
- Request it – Like find it, citizens will be able to request information on services and express a preference on how the information is received.
- Report it –We will have a reporting methodology and process so that a citizen can report any issue on-line either as a named individual or anonymously as required.

Our system will act for both citizens and businesses ensuring that both groups are well served and that steps are taken to avoid the challenges of digital exclusion as we move to primarily digital channels of contact, information exchange and application.

The high-level design is shown overleaf.

Figure 1: High-Level System Operation Design

Supporting this design will be the council website, customer service portal and relationship database. The requirements for theses are given below.

8.1.1 Ealing Council Website

The Ealing Council website will be the primary contact point for customers. It must ensure that:

- We can deliver information specific to the customer's needs (up-to-date, concise, searchable).
- Enable customers to self-assess themselves and the service they require as much as possible (Do I need planning permission for this? Do I qualify for this benefit?).
- Signpost customers to 3rd party service providers where relevant.
- Encourage customers to self-serve (channel shift).
- Encourage customers to engage with the democratic process and with community services (volunteering, fostering, donating, taking responsibility for the area in which they live, expressing opinions and needs).

The website also needs to be:

- Personalised (displaying information based on what we already know about the customer's circumstances / needs / interests).
- Engaging - using rich media where suitable.
- Relevant – information that is of interest to the customer; events; issues and what can be done about it.
- Clearly branded – visually distinct, consistent and delivering the Future Ealing message.
- Accessible – to suit the unique needs of customers who will be using a variety of devices to access services.

The revised website will:

- Be revised as the customer portal and the transactional processes are built.

- Contain a knowledgebase be created containing answers to common customer questions. Together with the potential for an Artificial Intelligence engine, that will quickly respond to the customer's specific questions, predict follow-on questions, and will constantly learn and improve its performance.
- A corporate in-house resource to be established for the maintenance and ongoing development of the website.
- Content updates of the website be the responsibility of the whole council including services
- A fit for purpose Web Content Management System will be procured and integrated with social media tools for improved marketing and communication.

8.1.2 Customer Services Portal

At the centre of the customer's ability to efficiently transact with us, is the on-line Customer Portal. The Customer Portal is the engine behind the customer's My Ealing account which manages customer authentication, personal details and transactions.

When the customer (including businesses and landlords) registers their My Ealing account, we establish the customer's identity and gather their personal details. This forms the customer's 'golden record'.

The benefits of a customer golden record are:

- The customer needs only tell us one about a change in their circumstances.
- When transacting with the Council via an online form, there is no need to enter details that we already hold or resubmit documents that we have already seen.
- Customers will be able to view / follow-up their transactions with the council within their online account.
- When the customer calls the Contact Centre, or drops in to the Customer Centre, the Customer Service Agent can quickly access all the relevant information to the customer.
- We can provide personalised information / promotions to the customer (events, volunteering opportunities…) based on the customer's profile / expressed interests.
- We can detect the customer circumstances/patterns that are indicators of fraud/vulnerability.
- The customer insight that we gather from summative account data allows services to predict future needs and can inform service planning.

8.1.3 'Rich' Customer Relationship Management System (CRM)

For the Contact Centre and other Customer facing staff, the CRM brings together an individual customer's details, activities, transactions, documents and contact history, enabling staff to view records and assist customers.

The CRM also provides forms and workflow development and management systems.

8.2 Why a 'Rich CRM'

During the soft market testing phase two different approaches were evaluated.

One was a classic transactional portal that would act as a platform, supported by best of breed systems, centred around customer channel shift to digital processes.

The second was referred to as 'Rich CRM'. This was a fully functional CRM platform that as well as having the ability to service the goals of customer channel shift would integrate to the best of breed systems and support further end to end process automation. A 'Rich CRM' would also have the functionality to support a cross Council transformational programme.

The central theme of the proposed solution is to produce a set of core processes that can be tailored to specific business needs by simple changes to their configuration but in general the processes will be the same across the Council.

As stated previously the processes are 'Apply' that includes 'Assessment' and potentially 'Appeal', 'Request', 'Book', 'Pay', 'Report' and 'Find'.

Additionally, a 'Rich CRM' will provide a case management capability that can be used to deploy insight solutions to the business. This will in the long term reduce the applications purchased by the Council and replace many of the smaller business systems currently in operation.

The platform will be able to provide commonality for internal and external facing processes, lowering ongoing development, training and support costs.

The 'Rich CRM' platform also has remote working functionality for field workers to increase the efficiency of the worker while away from their home base. This will be increasing important and supports the Councils 'New Ways of Working' initiative.

8.3 Other Authorities

Many other councils are also investing in digital solutions and transformation including the following.

Council	Investment with Savings Identified
Bedford	• Costs £13.5m • Savings £10.4m that includes FTE and non-staff related savings and the inclusion of recurring running costs • The benefit drivers are change in front, middle and back office efficiencies as well as organisation redesign and economies of scale.
Brent	• Cost £5.6m • Savings Forecast circa. £9.4m over 5-year project timescale. £8.3m of savings through enabling changes to services, £1m new digital savings. • Microsoft Dynamics 365 platform with a 'lite' CRM approach.
Croydon	• Cost £5m, implemented new platform and Dynamics 365 • Savings Forecast £6.3m recurring Year 2 • Customer Accounts 140k My accounts, 50k weekly transactions • Development of portal and approach led to 'digital council of the year 2016'
Coventry	• Digital SWITCH programme built around Firmstep platform and digital by choice, digital city programme • Saving of £3m+ on improved digital platform and channel shift across Council

Enfield	- Cost £17m over 3 years (£11m tech incl. staff), £4m External Advisors, implemented new platform and Dynamics 365, AI and data platform - Savings Forecast - £5m recurring Year 3 - Customer Accounts - 230k active residents/customers
Lewisham	- Costs: initial investment £5m to build CRM platform and another £4m approved, - drawn down later depending upon savings - Target savings of £7m – about £2m from front office council-wide end to end process redesign re-design and shift and £5m from others 'digital council' areas
Shropshire	- Costs £24.4m including end state user computing. - Savings £28.3m of which £25.3m are non-cashable benefit
Waltham Forest	- Programme Cost £6m - Savings Forecast £5m recurring Year 3 40k Customer Accounts from 120k households - Embarking on a Phase 2 digital Programme with new spend and save targets to create an integrated applications and data platform

Table 2: Other Councils Digital Investments

These illustrate that the investment in digital transformation is high but that it also provides a reasonable return on investment as councils adopt the principles of:

- Front, middle and back office transformation.
- Flexible working.
- Channel shift to digital and digital communications.
- Single view of the customer with high-levels of system integration.

Note, that in all these cases, savings are created through the enabling change and not the digital technology that is implemented.

9. Other Aspects of Digital Strategy

9.1 Staff Empowerment, Self Service and Resilience

The current role out of 'user end stage computing' will enable staff to feel more confident in their work and the tools they use to complete that work. The increased use of collaboration tools and digitisation of internal processes will rapidly reduce the lag-time between people, teams and processes.

Further digital transformation will drive this further eradicating many interactions that result in poor service user and staff satisfaction and concentrate our efforts onto outcome delivery.

9.2 Staff Training

Equipping staff with excellent equipment and making changes to operating methodologies across the organisation will be one of many steps needed towards a digital transformation. Alongside this is the need to improve staff capability through the development of skills to become digitally savvy.

9.3 Commercial Enablement

The council has a commercial enablement strategy and the digital strategy programme will support this agenda. The programme will assess the commercial opportunities of each element against its own commercial possibilities or the ability to support business area activity.

An 'invest to earn' approach alongside 'invest to save' will engage with the wider Council to identify technologies or solutions that would directly and indirectly enable income generation for the authority.

9.4 Working with Other Community Groups

The increasing amount of insight and business intelligence generated from the new system will enable us to work better with community groups and charities.

The council will because of the implementation:

- Better understand the user needs and allow us the ability to direct them away from the council towards other providers or the community.
- Use data analytics to enable charities and community groups to better plan how to serve users across the borough and how we plan our investment in such groups with better targeted support to the third sector.

9.5 Data Management

Using the customer relationship management system and master data we will be able to tailor our responses to citizens. For example, if a user of our services has had a fall and requires support. Through the data we would be able to tell if they have an immediate family in the area and if they do not, trigger a different support response.

This aspect of tailoring services based upon insight will be increasing more valuable in driving efficiencies and effectiveness based on individual needs. Proactive actions are more valuable than those that are reactive and can act to lower response costs.

Subject to legal considerations and consent that enable lawful collection and processing.

10. Financial Implications

The following sections details the costs of the 'Rich CRM', the identified benefits and the methodology to assess savings and how the project will be funded on an 'invest to save' basis.

10.1 Capital Costs

The following are the proposed costs for the 'rich' CRM with item descriptions given below the table.

Item	Year 18/19 (£M)	Year 19/20 (£M)
Portal / CRM Build & Support	2.691	1.893
Connectors	0.073	0.000
Staffing- Implementation Team	1.001	0.961
Change and Adoption Team	1.002	1.022
Portal and Content Costs	0.317	0.250
Sub Total	**5.084**	**4.126**
Contingency @10%	0.508	0.412
Grand Total	**5.592**	**4.538**

Table 3: Rich CRM Capital Investment Costs

The key items covered in these costs are:

- Portal/CRM Build and Support that will be completed by several external partners.
- The Connectors are those parts of the system that will enable our core systems to talk to each other and operate within the new infrastructure.
- Staffing- the implementation team that will implement the hardware, firmware and software changes based on the work of the Change and Adoption team.
- Change and Adoption Team is the work that will be required in all services to business re-engineer current services for transformed ways of working using revised methods that use digital channels, assessments and processes. It is hoped that this work can be delivered through a partner organisation.
- Portal and Content costs are the building of the new website, associated infrastructure, revision of micro-sites and the establishment of a new single sign-on and verification 'My Ealing' portal.
- Contingency is set at 10% of project costs which and allow for any un-forecasted activities and costs during implementation.

Note that the costs given are also:

- Gross costs.
- There is currently no revenue offset due to system retirement, however, in section 13.1 we have identified some systems that will be ceased and provide savings.

10.2 Revenue Costs

The following on the on-going revenue costs attributable to running the new infrastructure.

Item	Year 18/19 (£M)	Year 19/20 (£M)
Licensing and Web Hosting	0.012	0.012
Web Content	0.060	0.060
Connectors	0.087	0.087
Staffing- Implementation Team	0.280	0.280
Portal and Content Costs	0.088	0.088
Sub Total	**0.527**	**0.527**
Contingency @10%	0.046	0.046
Grand Total	**0.573**	**0.573**

Table 4: Rich CRM Revenue Investment Costs

10.3 Data Cleansing

Our approach to data needs to be reviewed in conjunction with the 'rich' Customer Relationship Management (CRM) infrastructure solution chosen. Our aspiration to use data for service and citizen insight require us to have good, accurate and clean data as the new processes and systems are implemented. To do this, four options have been assessed. These vary in effort, investment and benefit realisation.

Option 1 - Zero Migration

All users would need to register on the portal to enable their data to be used. No data is migrated, cost is therefore minimised. The consequence of not migrating data at this stage is the initial lack of benefit realisation – there would be no single view of the customer. This would be built over time as customers start to use portal and this data is then integrated into the Master Data Management (MDM).

- GDPR (General Data Protection Regulations) can be met relatively easily.
- The timescale to implement this option is the lowest.
- NLPG/ LLPG static reference data can be preloaded.
- Cost - Year 1 - £165k, Year 2 onwards- £120K.

Option 2 - High Quality Records Migration Only

The data from the top seven – ten systems only would be migrated. These would be 'live' property and person entities for which there is a very high confidence score from MDM that are then trusted and migrated to the CRM as a Property and Customer Master Index. Some validation and cleansing would be required and the data quality and stewardship processes would have to be in place.

- Timescale is the lowest out of the options that will realise a benefit.
- Benefits from data analytics can be realised in the short term, but from a limited range of data and cases.
- GDPR is mandatory and consent will be required.
- Cost – Year 1 £201k to £366k (depending on scope includes MDM integration), Year 2 onwards- £120k.
- MDM integration £50K.

Option 3 - All Live Record Migration

This would take active people, properties and cases from MDM that have been matched and cleansed from the top seven – ten systems only. This would require adding additional data sets to

MDM, undertaking a data cleansing exercise and putting in place data quality and stewardship processes. The data quality work would take considerable time/ resource and to an extent would require, as a pre-requisite, the CRM go live.

- Whilst time and cost increase, this option presents greater opportunities for data analytics.
- GDPR consent would need to be re-requested.
- Cost - Year 1 £675K, Year 2 £120k.
- MDM integration £50k.

Option 4 - All Record Migration
This would involve the migration of all records- live records, all closed cases and historic periods. This option provides the best analytics opportunities but would take the longest and would require a large amount of resource to undertake initial cleansing. It is not yet clear how we would meet the requirements of GDPR in this context. GDPR would need consideration and may render this scenario to be non-compliant.

- Cost – Year 1 £1.96m, Year 2 £165k
- MDM integration £50k.

10.3.1 Option Comparison
The following table shows a comparison of the options.

	Option 1 – Zero Migration	Option 2 – High Quality Records Migration	Option 3 – All Live Records Migration	Option 3 – All Record Migration
Year 1 Cost (£M)	0.165	0.366	0.675	1.960
Year 2 Cost (£M)	0.120	0.120	0.120	0.165
MDM Records		0.050	0.050	0.050
Total	**£0.285M**	**£0.536M**	**£0.745M**	**£2.175M**
+	• GDPR (General Data Protection Regulations) can be met relatively easily. • The timescale to implement this option is the lowest. • NLPG/ LLPG static reference data can be preloaded. • Builds accurate data.	• Timescale is the lowest out of the options that will realise an immediate benefit. • Benefits from data analytics can be realised in the short term, but from a limited range of data and cases.	• Data quality work will take time and may delay system transformation. • Benefits from data analytics can be realised in the short term, but from a limited range of data and cases.	• Whilst time and cost increase, this option presents greater opportunities for data analytics.
-	• Lack of immediate benefits. • View of customer built over time.	• GDPR (consent would need to be considered as this may need to be requested at registration).	• Data cleansing essential. • GDPR (consent would need to be considered as this may need to be requested at registration).	• Data cleansing essential. • GDPR consent would need to be re-requested.

Table 5: Data Cleaning Capital Investment Costs

10.3.2 Data Cleansing Recommendation

The recommended solution alongside the 'rich' CRM is Option 2: High Quality Records Migration Only. This balances the need for data benefits and the maintenance of high data quality.

This option is a value for money approach that allows the building analytical capacity.

10.4 Data Analytics and Management

Having transitioned data into the new system via data cleaning the following costs are associated with developing data analytics solutions and management of new data entering our systems.

10.4.1 Capital Costs

The following capital costs would be incurred.

Item	Year 18/19 (m)	Year 19/20 (m)
Data Management	0.905	0.691
Sub Total	**0.905**	**0.691**
Contingency @10%	0.090	0.069
Grand Total	**0.995**	**0.760**

Table 6: Data Analytics Capital Investment Costs

10.4.2 Revenue Costs

The following are the on-going revenue costs associated with data analytics and management to ensure clean and accurate data as well as operational insight from the data.

Item	Year 18/19 (m)	Year 19/20 (m)
Data Management	0.060	0.120
Sub Total	**0.060**	**0.120**
Contingency @10%	0.006	0.012
Grand Total	**0.066**	**0.132**

Table 7: Data Cleaning Revenue Investment Costs

10.5 Savings

The approach to savings has been to work with services on the impact of both digitising their service and in encouraging the channel shift away from physical applications (face to face, post) and process to on-line approaches only.

10.5.1 Savings Models

Savings can be modelled in several ways. Most of which imply through digital deployment the enabling of savings within current services.

Several models are considered to identify the anticipated savings concerning digital deployment. These are:

- Generic efficiency improvement.
- Service transaction targeted.
- Service Indicated Savings.

The first two models are theoretical impacts with stated rules and application. The final model is a service based review of transaction improvement impact. Where to identify savings, services have been asked to consider the impact of digitising their services using the six-major process described in section 9.1 of: Apply for it, Book-it, Find-it, Pay-for it, Request-it and Report it.

10.5.2 Generic Efficiency Savings Model

One way of approaching savings is to assume that for services a transition to digital methodologies enables an efficiency saving. This approach is simplistic but gives services the ability to allocate savings as they see fit within their services and to take advantage of digital methodologies and improvements as they are implemented.

If we adopt this approach it is sensible to follow previous government advice 'Gershon: Efficiency Savings Requirements' that targeted local authorities to make annual efficiency savings of 2.5% each year. The efficiencies being 'cashable' or 'non-cashable'. Crucially savings do not count if they cut services or reduce performance.

The main means envisaged for achieving efficiencies include: increasing staff productivity; carrying out service transactions electronically; securing better contract deals through improved procurement processes; and rationalising corporate services through shared arrangements and partnership working. This envisaging fits well with the purpose of digital transformation.

Applying this impact to current budgets implies the following savings.

Service Area	Total Approved Net Budget 18/19	Savings (£ @ 2.5%)
Adults and Public Health	90,858,087.00	2,271,452.18
Children and Families	52,863,452.00	1,321,586.30
Chief Executives	1,441,344.00	36,033.60
Corporate Resources	28,555,115.00	713,877.87
Environment and Customer Services	14,711,064.00	367,776.60
Regeneration and Housing	6,679,363.00	166,984.07
Housing Benefit	5,947,000.00	148,675.00
Total		5,026,555.62

Table 8: Gershon Efficiency Based Savings

However, this takes in every aspect of a service including staffing levels, supplier costs and contracts but does provide a reliable benchmark for savings.

10.5.3 Service Staff Targeted Savings Model

Digital transformation is highly targeted at the use of people in organisations. Within work forces there will be large scale change as digital technologies replace what is currently 'human administrative and investigative' work. The scale of change being represented by the following:

- Job Automation – Roughly 12% of current jobs are at risk of being replaced by systems of intelligence.

In 'What to do when machines do everything: Frank, Roehig and Pring', they cite analysis by the US Bureau of Labor Statistics that shows all jobs being impacted by automation and digital machines. These show that the following job categories by 2019 will be impacted in the following ways:

- Management, Business and Financial – 51% impacted.
- Protective and Non-Protective Service – 35% impacted.
- Office and Administration Support – 42% impacted.

Forrester Research analysed this impact and intimated that 20% of the routine aspects of jobs disappear leading to job shifts and redeployment/redundancy.

The implication being that if we implement digital transformation correctly and across all processes then conservatively 12% of staff will be placed at risk.

The savings this could produce are given in the table below.

Service Area	Salaries Approved Budget 18/19	Savings (£ @ 12%)
Adults and Public Health	22,878,234.00	2,745,388.08
Children and Families	43,896,487.00	5,267,578.44
Chief Executives	1,586,305.00	190,356.60
Corporate Resources	28,824,179.00	3,458,901.48
Environment and Customer Services	15,150,983.00	1,818,117.96
Regeneration	13,624,161.00	1,634,899.32
Housing	15,946,587.00	1,913,590.44
Total		17,028,732.30

Table 9: Digital Role Transformation Based Savings

However, this takes in every job in the council and regards all as being impacted equally by digital transformation. A more accurate model would need to codify roles based upon function, allowing for more manual roles within the council. This would reduce the target savings by potentially up to 50% resulting in savings of £8,514,366.

Note that at the start of this business case we also cite a Nesta report that states that if average savings from digitisation programmes can be replicated across local government, an average unitary council could save up to 13 % of its total budget by 2025. And it goes further; for ambitious

councils willing to transform everything they do (from procurement to how they organise) the potential saving could be much greater – up to 30% according to some estimates. This gives savings that would be estimated to be in the range £26.1M to £60.27M. This implies that a £17M target for savings may be limiting but possible.

10.5.4 Transaction Targeted Model

Using transaction data, we can also estimate the savings based on channel shifting transactions from Face to Face to Digital Only.

Transaction costs have previously been estimated as:

- Face to Face - £14.00 (SOCITM)
- Telephone - £5.00 (SOCTIM)
- Post - £12.10 (PWC)
- Email - £5.00 (assumed like telephone for modelling purposes)
- Digital - £0.17 (SOCITM)

Knowing our transaction numbers from work completed during a digital process assessment by Microsoft consultants we can estimate the transaction savings if Ealing moves to a primarily digital channel.

This change is shown below for four models:

- Original Transaction Data
- Original Transaction Data Plus Digital Channel Shift
- Original Data plus Volume Adjustment
- Original Data plus Volume Adjustment plus Digital Channel Shift

Note: That the volume adjustment has been made to consider over estimates of transactions in some areas so that the savings estimate is pragmatic and realistic. And where multiple channels are available to citizens it has been assumed that there is no bias to one and all are used evenly.

Model	Total Transaction Cost (£)	Difference (£)
Original Transaction Data	6,074,132	
Original Transaction Data Plus Digital Channel Shift	462,628	5,611,504
Model	Total Transaction Cost (£)	Difference (£)
Original Transaction Data plus Volume Adjustment	3,129,152	
Original Transaction Data plus Volume Adjustment plus Digital Channel Shift	310,245	2,818,907

Table 10: Transaction Channel Shift Based Savings – Citizen to Council Only

This approach gives anticipated savings between £2.82M and £5.61M.

10.5.4 Service Indicated Savings – Team Impact Model

Services have been asked to comment on a team based savings model against the six core processes as stated.

Reviews have come back indicating approximate savings as follows:

- Adults   - £ 212,412
- Children's   - £ 404,304
- Revs and bens   - £ 320,000
- Housing   - £ 250,000 (Capita Portal Implementation)
- Regen   - £ 440,000
- Enabled MTFS   - £1,707,000 (includes Environmental Digital Savings)
- CIE 2 R&B   - £ 490,000

This gives a total indicated saving of circa £3.824M prior to any re-engineering or 'digital discovery' work. Noting that some digital savings indicated above have already been put into the MTFS as shown in section 10.5.5 below.

10.5.5 Enabled Savings in Medium Term Financial Strategy

Several savings have already been put into the MTFS that are enabled by our digital strategy. Without a digital strategy programme, it is unlikely that these savings could be realised.

The savings currently in the MTFS are given in the table below.

	MTFS Saving		
Enabled Savings	**18/19 (£M)**	**19/20 (£M)**	**20/19 (£M)**
FE1-5 SC Move to on-line Licensing	0.000	0.000	0.040
CIE 20 Early Identification of Self Funders	0.500	0.000	0.000
CIE9.1 SEN Transport	0.025	0.155	0.050
E&CS 07 Street Trading Licenses – Effective Management	0.200	0.000	0.000
E&CS 33 Improved Processes and Digital Services	0.050	0.250	0.100
E&CS 34 Improve website to reduce 'error demand'.	0.050	0.050	0.000
E&CS 35 Digital Mail	0.030	0.030	0.000
CIE Performance Consolidation	0.000	0.177	0.000
Total Savings	**0.855**	**0.662**	**0.190**

Table 12: Current MTSF Savings Digital Savings

10.6 Digital Discovery

To understand the full impact of the digitisation of a service and as part of a service review a team of digital solution consultants were asked to review Special Education Needs Transport. This team was chosen because prior financial analysis had concluded that the Council spends £6.480M on SEN transport per annum and estimated potential savings between £750k and £1.5M, with subsequent benchmarking having approximated the saving to 22% of the current budget giving a target saving of £1.408m.

The digital discovery has been used to substantiated the changes possible and if the identified savings exist.

The consultants approach to the discovery is summarised in the diagram below.

Figure 2: Digital Discovery Process

During the discover user research gathered a coherent set of user needs enabling the definition of requirements and user stories that aid market investigations. Including documenting 'as-is' journeys, processes, inefficiencies and pains across the front-stage (user facing), back-stage (internal users, technical, SMEs) and behind-the-scenes (commercial, political).

Working with users, SMEs and technical resources during flexibly structured and targeted interventions (co-design workshops, surveys, shadowing - and others, depending on the culture of LB Ealing), we exploring user wants and get to the user needs. Exploring innovations in a variety of markets and segments to understand how the digital can bring positive disruption and existing innovation into the thinking of users and stakeholders.

The work was then translated this into actionable, concise yet comprehensive maps of the landscape, service blueprints/designs, with use cases, epics, features and user stories. These being constructed in a way that can be understood by the business and prioritised into a backlog to take into digital solution definition and linked back to benefit levers.

During 'discovery' the following was completed:

- Utilised qualitative and quantitative research methods to understand high-level user personas, pain points and user stories: mapping the total user journey through the SEN transport workflow from application to review – 'as is'.
- Utilised unobtrusive techniques like workshops, surveys and interviews designed to isolate what the users truly need, not just what they want.
- Synthesised the findings to define the needs, pain-points and challenges that are holding users and the business back.
- Worked with the technical team to define the current state architecture by mapping service and component value chains using Wardley Maps so that we understand the existing software tools and platforms in use.
- Analyse the Wardley Maps to identify duplication and bias
- Worked with the assisted transport team to understand context around process and ways of working, to provide additional context to the maps.
- Determined the data set required from applicants to accurately assess transport requirement and routing required data.
- Defined future service blueprints: recommending changes to the user journey to resolve pain points. Some recommendations to be considered as part of the scope include:
  - Improve the assessment, speed of decision making and capture of data.
  - Capture application data that avoids 'gaming' of the system so that automated assessments of need and award were accurate and verified.
  - The application process to automate the verification process of assessments enabling effective use of SEN Transport resource through automated means (verification scheduling).
  - Checked the availability of SEN Route planning solutions that could be used by the Council to improve route planning speed and the management of key data to maintain 'safe' and effective transport provision including DBS information and recommending a package and how it can be used
  - the review process to automate the review process and enable appropriate use of SEN Transport assessment resource through automated means.

11.6.1 Digital Discovery Results

The digital discovery has identified the following areas for improvement and potential savings in the proposed digitisation of SEN Transport that are relevant to how we will work in the future.

- Parents cannot find Travel Assistance information.
  - Website information is not accessible off the main site and is part of 'the local offer'. In a digital environment, this information should be able to be readily accessed and led to an on-line application.
  - Carers and Parents will be required to enter an email address through which they can be readily contacted.
- Availability of Travel Assistance Form poor and a manual process.
  - The current application process is using a manual form that is then posted into the department. In the future, this should be an on-line apply for it process.
- Use of Post and Hard Copy data.
  - Using on-line processes and storage will remove the need to use post and hard copy methodologies.
  - Assessment will be automated to provide a first transport offer to applications highlighting options such as direct payments and independent travel training.
  - Any decision appeals will be an on-line process.
- Manual file management and user spreadsheets and manual processing.

- o Future methods will use automated file management and data used by the service will be integrated into tailored solutions to deliver an enhanced service.
- Manual document processing.
  - o A digital solution will require ensure that there is no manual document processing.
- No automated routing and route efficiency calculation.
  - o A transport package would enable more effective route planning, minimising officer input and creating routes that are effective, efficient and low cost.
  - o Effective routing would enable better contract management with providers.
- Bus start and arrival times not automated or well communicated.
  - o Improved communication and bus tracking will enable better contract management, identification of challenges and service user satisfaction.
  - o Contact management when transport is late of cancelled will enable cost recovery from suppliers.

In relation to digital savings the following potential has been identified:

- Better transport contract management
  - o Better recovery of penalty costs, if 10% was recovered through the identification of mediocre performance the council would recover £490,688.
- Shifting service provision through automated assessment.
  - o Direct Payment Offer: £1,831.08
  - o Transport provided: £7,987.40
  - o If 100 users could be switched to Direct Payment, the council would save £615,632.
  - o An automated assessment could take carers and parents through their options easily on-line.
- Digital methods:
  - o Automated assessments.
    - ▪ Using automated assessments would help us make parents and carers more aware of the choices that can be made potentially encouraging more to take direct payments or independent travel training.
  - o Automated reviews.
    - ▪ Current reviews are sporadic. Using automated processes would enable the reviews to be completed on-line, enabling them to be more frequent and identify quickly any changes in circumstances.
  - o Streamlined website to include on-line application.
    - ▪ A streamlined 'find it, apply for it, appeal it' process will reduce processing, feedback and council staff involvement.
  - o Automated route planning.
    - ▪ Current routes are planned using a combination of on-line websites and manual processes. Investment in an automated route planning tool would enable staff effectiveness to be improved and allow quick and accurate adjustments to routes.
    - ▪ Better planned routes would enable us to procure and contract manage better which may lead to contract savings.
  - o Automated Drive/Transport tracking.
  - o Electronic communications – carers, users, routes and schools.
    - ▪ Better contract management would enable cost recovery as stated previously.
    - ▪ Better communication with users, routes and schools would vastly improve satisfaction with the service.
  - o Link to Education Health Care Planning may enable a 'first response' to parents and carers to be enabled. Avoiding the need for an application form and instead proactive management of the Council of a user's needs.

The digital discovery has identified several areas of improvement that will improve our internal effectiveness and accrue savings for the council. However, many of the improvements can only take place if we invest in our systems and infrastructure eradicating the technical debt that is being built up in our legacy systems.

It is worth noting that whilst a number of these are directly related to our six core processes particularly (apply and find). The process of discovery has also highlighted several other changes that will give positive benefits to the council.

This substantiates the importance of the change and adoption team within our strategy and the need to take further advantage of systemic improvements that this team can engender.

10.7 Funding

The digital strategy will require agreement and approval of a new capital programme, 'Digital Strategy' of £11.342m that is financed through mainstream borrowing estimated to be £2.618m.

It will result in a revenue growth of £3.105m (18/19 £2.066m and 19/20 £1.040) and additional savings of £1.567m. Subject to profiling of spend and saving realisation.

10.8 System Savings

In addition to the enabled savings. The replacement of some systems through the technology will allow the retirement of some systems whose functionality will be surplus to requirement.

The replacement of the current revenues and benefits system with a Northgate solution enables the council to retire the following:

- E-Form HB   - £23,400
- E-Form Blue Badge Current System   - £6,200
- E-Form LWA and DHP   - £11,500
- Call Credit   - £15,800
- E-capture (Govtech)   - £30,000
- Agilisys   - £100,000

This is a saving of £186,900. Similar savings may be available elsewhere as business processes are re-engineering and legacy systems retired. Whilst these cannot all be identified now, they will be during the re-engineering phases and savings accrued.

10.9 Cost Benefit Analysis

The following is the cost benefit analysis of the programme. Modelling indicates an average saving in the region of £5M of enabled savings in services. Of which:

- £1.707m savings that were previously approved when the 2018/19 budget was reported to Cabinet in February 2018.
- £1.567m additional savings arising from the Digital Strategy (through transaction channel shift).
- £1.718m additional savings arising from the Digital Strategy that have not yet been validated in detail. Work will continue on their validation so that the outcome can be reported back.

Funding of £0.205m was made available from reserves during 2017/18 to support the development of the full Digital Strategy business case. Costs incurred comprise:

- £0.112m – payment to Microsoft for analysing the opportunity to introduce improved customer handling process;
- £0.093m – for ICT business case support.

10.9.1 Digital Strategy Business Case – Financial Evaluation

The table below summarises the business case for the Digital Strategy

The table below confirms that the initial Digital Strategy investment will be paid back through savings generated over a seven-year period.

Revenue Project Cashflow	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Total cost/(saving) over Asset Life
	£M	£M	£M	£M	£M	£M	£M	£M
Expenditure								
Maintenance and Day to Day Operations	0.527	0.527	0.527	0.527	0.527	0.527	0.527	3.689
Data Analytics Operation	0.060	0.120	0.120	0.120	0.120	0.120	0.120	0.780
Systems Retirements	0.000	-0.160	-0.160	-0.160	-0.160	-0.160	-0.160	-0.960
Cost of borrowing *(life 5 years)*	1.479	2.618	2.618	2.618	2.618	1.337	0.000	13.290
Total Expenditure	**2.066**	**3.105**	**3.105**	**3.105**	**3.105**	**1.824**	**0.487**	**16.799**
Savings								
New	0.000	0.011	-1.164	-2.082	-1.566	-1.567	-1.567	-7.935
Enabled (FE1 approved)	-0.855	-1.517	-1.707	-1.707	-1.707	-1.707	-1.707	-10.907
Total Savings	**-0.855**	**-1.506**	**-2.871**	**-3.789**	**-3.273**	**-3.274**	**-3.274**	**-18.842**
Net Cost (+) / Benefit Realised	**1.211**	**1.599**	**0.234**	**-0.684**	**-0.168**	**-1.450**	**-2.787**	**-2.043**

Table 13: Revenue Project Cashflow

10.9.2 Capital Investment Requirement

The capital investment required to implement the Digital Strategy is estimated to be £11.342m; these costs will be financed through mainstream borrowing.

Capital Investment	2018/19 £M	2019/20 £M	2020/21 £M	2021/22 £M	2022/23 £M	2023/24 £M	Total £M
Capital Expenditure:							
System	5.084	4.126	0.000	0.000	0.000	0.000	9.210
Data Analytics	0.905	0.691	0.000	0.000	0.000	0.000	1.596
Data Cleansing	0.416	0.120	0.000	0.000	0.000	0.000	0.536
Contingency	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Expenditure	**6.405**	**4.937**	**0.000**	**0.000**	**0.000**	**0.000**	**11.342**
Capital Funding:							
Mainstream Borrowing	-6.405	-4.937	0.000	0.000	0.000	0.000	-11.342
Total Funding	**-6.405**	**-4.937**	**0.000**	**0.000**	**0.000**	**0.000**	**-11.342**

Table 13: Capital Investment

Cabinet is asked to approve the creation of a new capital scheme 'Digital Strategy' with a total capital investment of £11.342m (£6.405m in 2018/19 and £4.937m in 2019/20).

10.9.3 Revenue Budget Implications

Total revenue budget costs associated with the scheme are £3.105m, of which £2.618m relates to the cost of borrowing (2018/19 to 2023/24) with the remaining £0.487m relating to on-going technology running costs net of decommissioned technology costs (2018/19 onwards).

The total revenue budget implications in 2018/19 are therefore forecast to be £2.066m increasing by £1.040m to £3.105m in 2019/20 onwards. These decrease to £0.487m when the borrowing costs cease. The additional un-budgeted costs in 2018/19 will create a new budget pressure that will have to be managed in-year as part of budget monitoring; this may result in an additional call on reserves if no other mitigating actions such as in-year savings are identified. The budget pressures in 2019/20 onwards will be taken into account as part of the Budget Strategy and MTFS going forward.

Revenue Budget Impact	Revenue Budget Impact (incremental)						Total Annual cost/savings
	2018/19 £M	2019/20 £M	2020/21 £M	2021/22 £M	2022/23 £M	2023/24 £M	£M
Growth required							
On-going revenue costs	0.587	-0.100	0.000	0.000	0.000	0.000	0.487
Cost of Borrowing	1.479	1.140	0.000	0.000	0.000	0.000	2.618
Total Growth	**2.066**	**1.040**	**0.000**	**0.000**	**0.000**	**0.000**	**3.105**
Savings Identified							
Savings Identified	-0.855	-0.651	-1.365	-0.918	0.516	-0.001	-3.274
less: Savings already approved in MTFS	0.855	0.662	0.190	0.000	0.000	0.000	1.707
Total Additional Savings	**0.000**	**0.011**	**-1.175**	**-0.918**	**0.516**	**-0.001**	**-1.567**
Net additional cost (+) / saving (-)	**2.066**	**1.051**	**-1.175**	**-0.918**	**0.516**	**-0.001**	**1.538**

Table 14: Revenue Budget Impact

10.9.4 Revenue Budget Savings

Total revenue budget savings of £4.992m are forecast to be realised through implementation of the Digital Strategy comprising:

- £1.707m savings that were previously approved when the 2018/19 budget was reported to Cabinet in February 2018 and whose delivery will be enabled through implementation of the Digital Strategy:
- £1.567m additional savings arising from the Digital Strategy (through transaction channel shift) that have been validated and which are now recommended for inclusion in the next update of MTFS and 2019/20 budget forecasts. The 'digital discovery' process is set out at Appendix A. This provides a high-level of confidence that the forecast savings can be achieved; and
- £1.718m additional savings arising from the Digital Strategy that have not yet been validated in detail. Work will continue on their validation so that the outcome can be reported back.

The business case evaluation is based on total savings of £3.274m comprising the £1.707m and £1.567m savings as detailed above.

To conservatively estimate the impact on the Council. The £1.718m of savings have not been counted in the investment case as they are yet unidentified nor validated and cannot be attributed to a particular service area. The digital investment and implementation will have a transformational impact on services and its benefits will enable on-going efficiencies in future years that are likely to exceed this figure.

The 'digital discovery' process as given in section 10.6 gives us a high-level of confidence that the savings can be achieved. Further work will be required into process transformation and will take place during implementation to ensure the maximum benefit to the organisation. This will support on-going continuous improvement and efficiency activity.

Changes that accrue early savings will be prioritised to ensure a faster rate of return.

11. Procurement

The procurement process will be fully documented once the business case is approved. In outline, the following approach is proposed for the following key acquisitions:

11.1 Portal/CRM Build and Support

The proposed Microsoft Dynamics solution will be procured via the upcoming Crown Commercial Service. Note that this may include a mini-competition to procure the reseller as Microsoft do not sell directly to customers.

11.2 Licensing and Web Hosting

The proposed solution will be procured via the upcoming Crown Commercial Service framework. Note that this may include a mini-competition to procure the reseller as Microsoft do not sell directly to customers.

12.2 Technology Implementation Team

This is the team that will implement the hardware, firmware and software changes based on the technical solution and the work of the Change and Adoption team.

The procurement of this team will be completed by either:

- The direct award of a contract (via an exception) to our current provider of technology.
- Using an existing ICT consultancy framework agreement to call off a contract to cover a period of two years.
- Procuring via our own tender process a supplier on a fixed term contract for the provision of resource covering a period of two years.

The exact procurement methodology in this case will be decided on business case acceptance following a value for money assessment of the best option.

12.3 Change and Adoption Team

This is the work that will be required for all services to business re-engineer current services for transformed ways of working using revised methods that use digital channels, assessments and processes.

A partner has been used to complete the 'digital discovery' within assisted transport, establishing methodologies for re-engineering and inputs into the technology landscape.

It is proposed that, having built a good working relationship with them and having already assessed their capability through the assisted transport project, to secure their services as a delivery partner via a compliant call-off from the Crown Commercial Service's G-Cloud purchasing platform using a statement of works.

It is hoped that establishing them as a delivery partner will also enable cost efficiencies as they have already begun doing similar work in the Council and so could mobilise far more quickly than other competitors.

Before any agreement is put in place the negotiated terms with the partner would be benchmarked versus other competitors to ensure the Council is receiving best value for money.

The alternative to the above would be to hold a further competition of our own for these services.

12. Programme Delivery

Programme delivery will be a transient vehicle whose outcome is a sustainable digital operation.

It's roll-out will include feedback and design work with every service based on digital discovery work that will be completed to ensure that outcomes and benefits are achieved.

It is expected that the design process will also include iterative mechanisms for future changes as techniques and methodologies embed across services allowing for service enhancement and discovery of additional external and internal improvements.

12.1 Design

Following agreement to the business case and in line with best practice accurate analysis of actual costs and deliverable benefits will be undertaken during the mobilisation phase.

As part of mobilisation, a detailed analysis of IT system and operational processes will facilitate a revised cost and benefits forecast that will be used to update the business case.

As implementation takes place reviews of all current business processes will be undertaken following the approach established in the SEN Transport digital discovery. The implementation will establish robust governance and protocols that reflect best practice within the Council. During

mobilisation stakeholders will be able to make informed decisions and agree to budget reductions and cashable benefits.

This approach should be adopted at all phases of the programme to completion. All phases of mobilisation will include robust business processes, that will reflect more efficient ways of working, this will support the delivery of benefits and cost savings expected from the programme.

Configuration of the system will be less expensive if established during mobilisation and business process reengineering. This approach which will form part of the future proofing of the council's applications. Key to this is that data entry is as close to the original contact as possible and that the 'rich CRM' will provide an 'always on' front door to services that will allow us to build intelligence about demand and need. This will allow us to understand changing needs allowing us to commission and deliver services intelligently.

12.2 Approach

The Programme will undergo three phases that at times may be operating in parallel in-service areas although for the purposes of this report they will be regarded as distinct:

- Mobilisation.
- Delivery.
- Transition.

12.2.1 Mobilisation

To complete mobilisation we will be concerned with the following aspects:

- Energising all digital stakeholders around our digital strategy and its delivery. Digitisation must become priority number one across the business and the alignment of work to it. This may require the creation of a 'clarity of purpose' within services of what it means and where they can add most value.
- Creating the correct governance of the delivery including a steering group and programme board.
- Validation of the high-level design and key principles including the use of multiple websites and how we will work with third parties. Including:
    - o Details research into core processes e.g. Find it.
    - o High-level user research looking at 'as is' processes and what the 'to be' may be.
    - o Use of Wardley mapping to landscape current and future technologies and their relation to customer needs and services.
    - o Strategic game playing and repercussive thinking to consolidate the new-design principles around a single front door, 'always on' approach, move from human processing of applications to human supported applications and increasing channel shift to digital means.
- Adjustment of the implementation to allow for high-priority and high-savings areas to be implemented early in the programme life cycle to maximise benefit realisation.
- Identify systems that can be retired or consolidated adding to the benefit maximisation.
- Ensure the correct sequencing of the data cleansing that is required to ensure that it produces good customer records and allows us to build good data sets from the outset.

12.3 Sequencing of Implementation

The figure below illustrates a twenty-one-month implementation of the system.
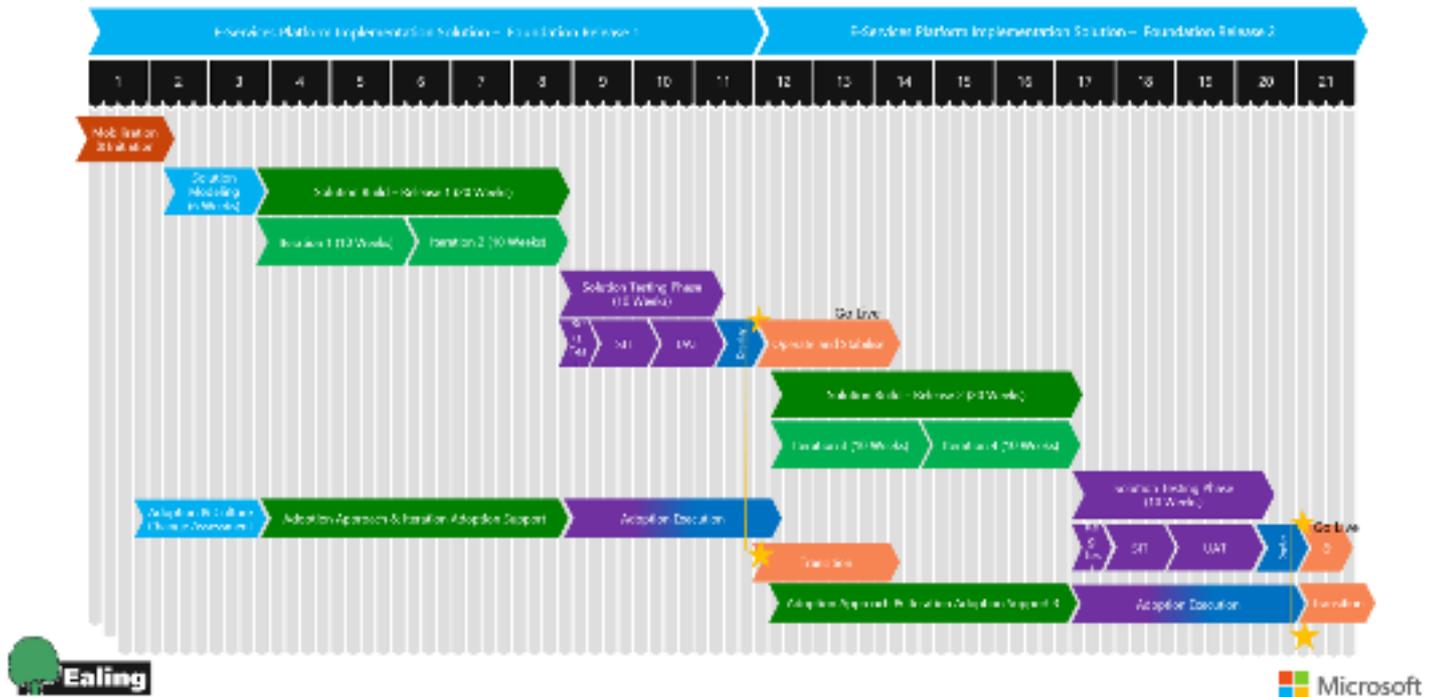
Figure 3: Implementation 21-Month Plan

The implementation would be completed in two releases with a pause of one-month between phases. The pause allowing, if necessary, for the organisation to catch-up with external providers if they are implementing faster than the process of business reengineering.

The sequencing of changes will be to prioritise those areas that provide in release 1:

- The maximum cashable benefits.
- Performance is improved to required statutory levels where required.

Areas of the organisation that provide less potential for cashable benefits will be completed in release 2.

Areas that have already been identified for inclusion in phase 1 are:

- Northgate – consolidation of Revenues and Benefits activity.
- Capita – Housing's main system with enabled savings.
- SEND and SEN Transport – Work stems from digital discovery and statutory need to complete Education Care Health Plans within twenty weeks.

During the two phases of implementation 'agile' delivery methods will be adopted allowing the incremental delivery of value as services are re-engineered. As areas are implemented there will be two elements:

- Firstly, the delivery of the re-engineering of our processes through digital discovery, alpha solution, beta solution and 'gold' implementation.
- Secondly, the leverage of the development and the customer relationship management and master data management systems using and collating data from the re-engineered processes. This will also allow the development of the clean data sets that we will need going forward to deliver real-time strategy insight and service refinement.

12.4 Transition

As areas 'go live', there will be reviews undertaken so that specific decisions can be made on how to realise the full benefits of the new system and the business process reengineering that will have taken place.

Digital strategy will increasingly become 'business as usual' and the standard response used to address new and emerging needs across the borough.

Budget holders will be tasked with making fully informed decisions and agreement to budget reductions on the benefits realisation and we move into normal operations.

Our expectations after a transition has taken place are:

- Services will manage and own changes going forward.
- Digital skills and capabilities are embedded and developed in services.
- That team roles and the organisation is rationalised where legacy experience is no longer required in favour of new digital skills.

12.5 Governance

Following acceptance of this business case, two key groups will be formed; a programme board and an operational steering group. Their accountabilities and responsibilities are given below.

12.5.1 Programme Board

The Programme Board will represent those senior managers who are accountable & responsible for the investment decision, defining the direction of the programme and establishing frameworks to achieve the desired outcomes.

They should take the lead in establishing the values and behaviours required by the change effort, often 'leading by example'.

12.5.1.1 Accountabilities

The Programme Board will be accountable for the following:

- Accepting the Corporate Board's Authority to Proceed as a valid basis for starting the Programme and for its on-going validity for the life of the Programme.
- The validity of the investment decision and its on-going validity for the life of the programme.
- The Programme Board will have corporate board accountability for the validity of key decisions.
- The Programme Board is accountable for approving all elements of the Programme base documentation.
- The Programme Board is accountable for change decisions that affect all and any of the base documentation.

The Programme Strategic Baseline documentation will be represented in the following documents:

- Benefit Management Strategy
- Business Case
- Communications Strategy
- Controls Strategy
- Issue Resolution Strategy
- Programme Brief
- Programme Charter
- Programme Mandate
- Quality Management Strategy
- Resource Management Strategy
- Risk Management Strategy
- Stakeholder Management Strategy

These documents will be produced once the business case is accepted.

12.5.1.2 Responsibilities

The Programme Board's specific responsibilities include:

- Reviewing the programme mandate and authorising investment decisions.
- Creating an environment, across all affected parts of the organisation, in which the programme can thrive.
- Endorsing, advising and supporting the Programme lead.
- Providing continued commitment and endorsement in support of the Programme lead at programme milestones.
- Reviewing & approving the progress of the programme against the strategic objectives.
- Providing visible leadership & commitment to the programme at communication events and as part of their day to day 'business as usual' role.
- Confirming successful delivery and sign-off at the closure of the programme.

12.5.2 Steering Group

The role of the Steering group is as follows:

- Ensures project is aligned with organisational strategy.
- Ensures project makes beneficial use of assets.

- Assist with resolving strategic level issues and risks.
- Approve or reject changes to the project with a high impact on timelines and budget.
- Assess project progress and report on project to senior management and higher authorities.
- Provide advice and guidance on business issues facing the project.
- Use influence and authority to assist the project in achieving its outcomes.
- Review and approve final project deliverables.

12.5.2.1 Responsibilities of the Steering Committee Chair

The Steering group chair is the Project Sponsor.

The responsibilities of the Steering group chair are as follows:
- Sets the agenda for each meeting.
- Ensures that agendas and supporting materials are delivered to members in advance of meetings.
- Makes the purpose of each meeting clear to members and explains the agenda at the beginning of each meeting.
- Clarifies and summarizes what is happening throughout each meeting.
- Keeps the meeting moving by putting time limits on each agenda items and keeping all meetings to two hours or less.
- Encourages broad participation from members in discussion by calling on different people.
- Ends each meeting with a summary of decisions and assignments.
- Follows up with consistently absent members to determine if they wish to discontinue membership.
- Finds replacements for members who discontinue participation.

12.5.2.2 Responsibilities of Steering Committee Members

Individual Steering Committee members have the following responsibilities:

- Understand the goals, objectives, and desired outcomes of the project.
- Understand and represent the interests of project stakeholders.
- Take a genuine interest in the project's outcomes and overall success.
- Act on opportunities to communicate positively about the project.
- Check that the project is making sensible financial decisions – especially in procurement and in responding to issues, risks and proposed project changes.
- Check that the project is aligned with the organizational strategy as well as policies and directions across the organisation.
- Actively participate in meetings through attendance, discussion, and review of minutes, papers and other Steering Committee documents.
- Support open discussion and debate, and encourage fellow Steering Committee members to voice their insights.

13. Key Gateways

The following are the key gateways for the business case to be accepted and to enable the move of digital strategy into its mobilisation phase.

- Business Case approved
- Cabinet Paper submitted with business case
- Mobilisation commences

14. Risk

The Council operates many complex systems. These systems contain significant overlap of functionality and are expensive to maintain and operate.

The existing applications do not automatically share data with each other, which causes the following problems:

- Inability to enforce data governance leading to varying standards and accountability.
- Varying standards of data quality (accuracy and currency of data).
- Information stored in data silos and difficult to analyse and interpret.
- Poor visibility of data, e.g. difficulty in responding to FOI requests.
- Duplication of effort in rekeying in data.
- Difficulty in delivering a 'Tell us Once' approach across all Council applications with many instances of the same information.
- Requirement to duplicate effort to enter data where more than one ICT application is required to complete an end to end process.
- Disjointed business functionality that prevents the opportunity to introduce efficiencies.

This means that our systems have become a barrier to:

- Having a 'single view of the truth'.
- Having a single view of the customer and, a single view of the Council.
- Having a single front door to access Council services.

The current operating model does not include robust ICT solutions with inherent resilience which are flexible enough to enable the Council to adapt to strategic changes in the local environment, economy and direction of travel.

This results in significant impact on access to, and management of, material systems and ultimately service delivery.

Without the investment in digital transformation it is likely that the technical debt, that is decisions that we have made over time through avoiding system investment and making do, become more difficult to fix and are reducing the options we have for service and customer improvements.

This technical debt will limit the Council's ability to make process and services improvements in the medium and long term. With future improvements increasingly reinforcing the silos that exist in current operations and restricting the ability of the Council to serve its citizens with tailored and more predictive solutions to their needs.

The risk also exists that without the implementation of the Digital Strategy, that the £1.707m savings that were previously approved when the 2018/19 budget was reported to Cabinet in February 2018 will not be delivered as they are enabled by the implementation of this programme.