

READING BOROUGH COUNCIL
REPORT BY DEPUTY CHIEF EXECUTIVE

TO:	POLICY COMMITTEE		
DATE:	12 JULY 2021		
TITLE:	DIGITAL TRANSFORMATION STRATEGY		
LEAD COUNCILLOR:	CLLR McEWAN	PORTFOLIO:	CORPORATE & CONSUMER SERVICES
SERVICE:	ICT	WARDS:	BOROUGHWIDE
LEAD OFFICER:	MARTIN CHALMERS	TEL:	07970 963741
JOB TITLE:	CHIEF DIGITAL AND INFORMATION OFFICER	E-MAIL:	martin.chalmers@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report presents the Council's draft Digital Transformation Strategy *Connected Reading* (attached at Appendix 1) for approval, together with a recommended work programme for year 1, known as the Digital Accelerator Programme.

2. RECOMMENDED ACTION

That Policy Committee

- 2.1 Approve the *Connected Reading* Digital Strategy as set out in Appendix 1;
- 2.2 Agree the Year 1 Digital Accelerator work programme set out in this document and in the business case at Appendix 2; and
- 2.3 Note that a report on progress and an updated business case will be brought to Policy Committee in the autumn of 2021, prior to budget-setting, together with detailed proposals for future work.

3. POLICY CONTEXT

- 3.1 The draft Strategy was developed by a joint team from Reading Borough Council (RBC) and FutureGov, which is a digital transformation specialist firm selected through a competitive process. It was based on interviews with staff, including Senior Leadership Group members, the Leader, Deputy Leader, former Lead Member for Corporate and Consumer Services, and a range of staff from across all directorates.
- 3.2 The draft Strategy attached at Appendix 1, emphasises that Digital goes beyond technology and means, to quote former Government Digital Service

senior Tom Loosemore “applying the culture, practices, processes, business models and technology of the internet-era to respond to people’s raised expectations”. Aligning with the Corporate Plan, the proposed vision for the Council’s Digital Strategy – *Connected Reading* – is:

Strong, connected relationships with residents, businesses and partners underpin a healthy, thriving and inclusive borough.

- 3.3 The Strategy proposes five themes against which action should be pursued to turn the vision into reality. Appendix 1 uses a range of personas to indicate what that reality would mean for different types of staff and stakeholder. In summary, these themes are:



Developing Foundations - to ensure that the right technology and business applications are in place and kept up to date, thereby underpinning the other four themes, along with best practice approaches to service design, development and change



Sharing Information - to enable information to be shared safely and securely between residents and businesses, the Council and delivery partners, so that it can be used to optimise the services delivered to residents and businesses



Improving Skills - to grow everyone’s confidence and ability, both within the Council and the wider community in using and exploiting digital tools and digital-era delivery approaches



Connecting Communities - to enable communities to support themselves and to strengthen digital inclusion



Enabling Investment - to work with partners and suppliers to create the right infrastructure in Reading for our residents and businesses to thrive.

4. THE PROPOSAL

4.1.1 Digital has significant potential to deliver direct financial benefit, with research¹ by Nesta and the Local Government Association suggesting that, based on studies of best-in-class digital transformations, the average unitary authority could save 13% of its budget through change projects founded on digital technologies. The potential is particularly great in our region where 86% of the population is digitally skilled at a time when both national research by OfCom² and local research by Reading University³ have found that Covid has led to increased takeup of online services and activities.

4.1.2 The benefits potential of Digital has already been recognised by the organisation. The MTFS agreed by Council in February 2021 includes £5m of annual savings (4% of revenue budget) to be realised by 2023/24 that have

¹ *Connected Councils: a digital vision of local government in 2025*, Nesta, 2016, [connected_councils_report.pdf \(nesta.org.uk\)](https://www.nesta.org.uk/publications/connected-councils-report)

² *Online Nation 2021 report* ([ofcom.org.uk](https://www.ofcom.gov.uk/consult/condocs/onlinenation2021/onlinenation2021.pdf))

³ *Digital-Inclusion-in-Reading.pdf*, University of Reading, 2021

dependencies on Digital. This includes £1m of savings from the Customer Experience Strategy agreed by Policy Committee in January 2020, which identified explicit dependencies on Digital, most notably the introduction of a customer experience platform.⁴

4.1.3 The Council has already taken a first enabling step through putting in place new arrangements for its core Information & Communications Technology services through the implementation of the Future Operating Model which went live in April 2021. To realise the benefits of digital transformation, however, we now need to overcome some significant technical and business obstacles and modernise our ways of working. For example:

- A number of our most significant core business applications are end-of-life and need to be replaced in the next 1-3 years. Out-of-date unconnected systems have led to operational inefficiencies (eg double entry of social care assessment data into workflow and case management tools) and the development of undocumented work arounds in response to technology challenges (eg the creation of undocumented spreadsheets where data reporting and analysis are inadequate), making some of our processes overly complex. Modernising our applications, and working to well-defined, customer-centric processes will increase both the efficiency and quality of services.
- Organisational digital maturity (a measure of our ability to implement digital change readily, effectively and consistently across the organisation) is low, with interviewees placing us between level 1 and level 2 on FutureGov's 4-point maturity scale, while digitally advanced councils are typically at level 3 and targeting level 4.
- There is a lack of technical capacity to support change. For example, our current web team is made up of six staff who cover both normal business and delivery against organisational change initiatives such as the Customer Experience Programme. In practice, normal business demands almost the entire time of that team.
- In the absence of a digital strategy, the organisation has evolved by using multiple systems. This can be challenging for staff who need to navigate multiple systems as part of their day-to-day work, and also residents who are exposed to this complex array of systems through the website.

4.1.4 Notwithstanding these obstacles, the £5m savings included within the Council's Medium Term Financial Strategy is reasonable, given that other councils of our size and digital maturity are targeting savings of 3.5-5%. However, action as proposed below is required to overcome the barriers.

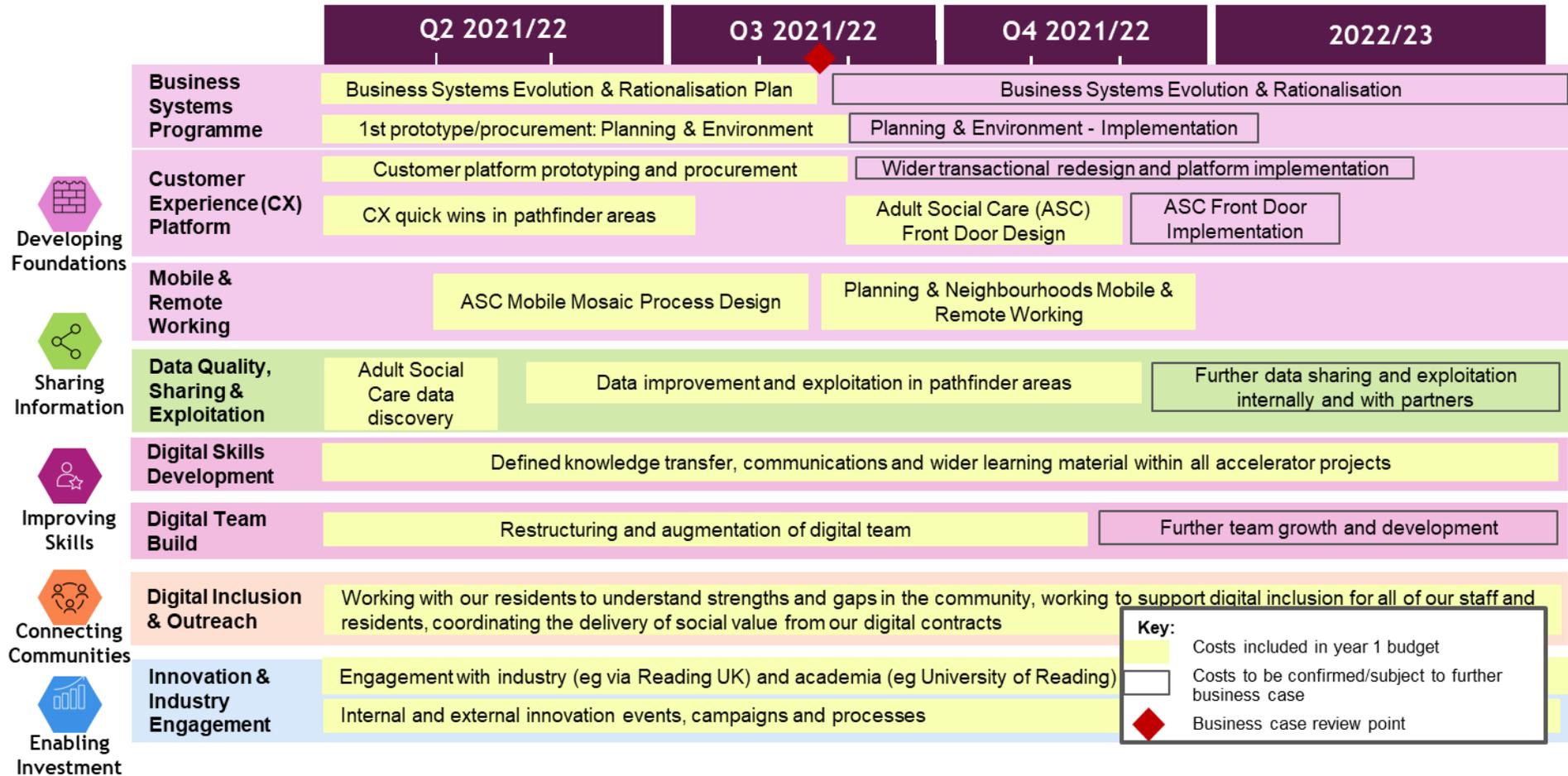
⁴ Customer Experience Platform = tool(s) to provide forms, workflow and access to customer information for use by public via website and by Customer Fulfilment staff.

4.2 Recommended Actions

- 4.2.1 Firstly, it is recommended that we build internal digital capability, so as to minimise ongoing dependence on external consultants for disciplines which are core to digital-era business delivery. Based on the first-year roadmap below, it is expected that there would be an increase of 5 digital and data posts in 2021/22 (2 designers, 2 developers, 1 data analyst), noting that current teams (3 digital developers on fixed term contracts, 4-person data analysis team) are fully occupied with current normal business (on the basis of which the fixed-term roles are expected to be made permanent). Comparison with other councils suggests that the team size required will grow by a further 5-6 posts in 2022/23, but this would be subject to a further business case.
- 4.2.2 Secondly, it is recommended that the Digital Accelerator Programme set out below is implemented, with the twin objectives of delivering demonstrable benefit now and, at least as importantly, building people, process and technology capability to deliver further benefit in the future. This would involve engaging external support to drive the initial work forwards while building the incoming team. The objective is to eliminate dependency on external support for non-transient needs by the end of year 1.
- 4.2.3 The proposed approach is to build functional and system capabilities in a cross-cutting way (eg implementing a payment system that will ultimately be used by all parts of the business). Three pathfinder areas of the business who have urgent, high-value change planned which have digital dependencies will be used to prove the concepts involved:
- In the Directorate of Resources, the pathfinders will be:
 - the Customer Fulfilment Team, which is being established as part of the Customer Experience Programme;
 - an area of the directorate that generates high customer call volumes, eg Revenues and Benefits.
 - In the Directorate of Economic Growth and Neighbourhood Services, the pathfinders will be:
 - Planning & Regulatory Services;
 - those parts of Environment & Commercial Services that use the Civica APP business application (which is end of life and must be replaced this year) and/or are linked with the Customer Experience Strategy.
 - In the Directorate of Adult Care and Health Services, the pathfinders will be digital projects which were identified in the Medium Term Financial Strategy as being fundamental to the realisation of planned savings.
- 4.2.4 The roadmap overleaf shows what will be delivered when in the cross-cutting workstreams. The work shown in yellow (or light grey if viewing in black and white) boxes is factored into the year 1 budget in this paper. This work will directly enable the realisation of £700-750k of the digital-enabled savings identified in the MTFs, but will also provide critical building blocks to enable the delivery of further benefit: the remainder of the £5m target.

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Accelerator Programme



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4.2.5 A critical gateway will be a review this autumn, and presentation of a revised business case to this Committee, to provide confidence that as a minimum the remaining digital-dependent MTFs savings can be realised and to inform the 2022 budget setting process. This review is represented by the red diamond on the roadmap diagram above. We expect that our work on the communication of capabilities and benefits delivered by the Accelerator, and the introduction of an innovation process, will help to foster a constructive climate for the review. However, the review will involve firm challenge too:

- Challenge sessions with each project/area targeting digitally enabled savings to review progress and potential
- Challenge/innovation events with each directorate bringing together external expertise/experience, informed by information gathered from the work carried out by the Accelerator set out below, including economic modelling.

4.2.6 The Digital Accelerator will deliver the following in year 1. Delivery, driven by the newly built inhouse capability, would continue in year 2.

Digital Capability	Specific Business Deliverables
<ul style="list-style-type: none"> • Register of business systems and a plan for their evolution/replacement and, where possible, rationalisation • Digital-era delivery processes embedded and proven: user-centred design, agile delivery, prototyping-based procurement • Customer Experience Platform procured, including payment system • Patterns Library developed (so that multiple instances of the same problem are not being solved separately) • Reusable processes and capabilities for remote working (eg rostering) • Single data toolset and strategy for sharing, analysis and exploitation of data • Robust, data-driven economic models to drive service performance measurement and benefits realisation in all areas worked with 	<p>Customer Fulfilment:</p> <ul style="list-style-type: none"> • Process optimisation for front-end Customer Fulfilment Team, including re-engineering of 1-3 high priority problem “customer journeys” (£150k benefit through demand reduction and efficiency gains) • Quick wins in Environment & Commercial area implemented. Candidates are: waste collection ordering/payment, flytipping end-to-end process, recycling guidance (£150k-200k benefit, primarily through efficiency gains) <p>Planning & Regulatory (et al) (£200k benefit, through efficiency savings)</p> <ul style="list-style-type: none"> • Civica APP replaced • Top 1-3 end-to-end processes surrounding Civica APP re-engineered: candidates include planning guidance and the Love Clean Reading portal. • Remote and mobile working optimised, including appointment and visit booking <p>DACHS (£200k benefit - an assessment of the contribution made by this work to the overall efficiency savings proposed)</p>

	<p>for DACHS, enabled by improved data-driven insight into provider costs supporting cost reduction, and streamlining of processes facilitating efficiency savings through planned restructure)</p> <ul style="list-style-type: none"> • Work needed to drive data improvement scoped • Remote and mobile working optimised, using the Mobile Mosaic project to drive process and data improvement • Adult Social Care front door designed
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4.2.7 In addition to these specific deliverables, there would be cross-cutting workstreams focused on:

- **Digital skills development** - defined knowledge transfer, communications and wider learning to be embedded within all Accelerator projects
- **Digital Inclusion & Outreach** - engagement with Digital Inclusion Group to ensure efforts - including digital social value - are being joined up and appropriately focused; facilitation of broadband connectivity for social inclusion
- **Innovation & Industry Engagement** - engagement with industry and academia; internal and external innovation campaigns, events and processes.

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 The *Connected Reading* Digital Strategy has been designed to support all three objectives of the Corporate Plan. The work proposed for year 1 supports those objectives in the following ways:

- **Healthy Environment:**
 - The plan to rationalise business applications will enable us, where possible, to reduce unnecessary demand for computing power and hence carbon consumption.
 - The pathfinder quick wins in Environmental Services are targeted at relevant issues including flytipping.
 - The work to replace Civica APP is intrinsically linked with work to improve planning and regulatory services and the way in which they link to residents, as is the proposed enhancement of mobile and remote working support for those services.
- **Thriving Communities**
 - Adult Social Care Front Door and Mobile Mosaic will respectively improve the ease of access to appropriate social care (or, where relevant, alternatives) and the delivery of social care services.
 - Customer Experience quick wins in the pathfinder area of Revenues and Benefits will improve ease of access to services in this field.

- **Inclusive Economy**
 - The focus on digital inclusion: for example digital connectivity and digital skills development for residents directly supports this objective.
 - We will be engaging with local digital industry and academia as part of the innovation workstrand.

6. ENVIRONMENTAL AND CLIMATE IMPLICATIONS

- 6.1 There are no specific environmental or climate implications from this work, but the potential for work on the rationalisation of business applications to eliminate unnecessary use of computing power and hence carbon should be noted.

7. COMMUNITY ENGAGEMENT AND INFORMATION

- 7.1 Community engagement will be central to the implementation of the Strategy. In particular:

- Wherever new services that affect residents or communities are being implemented, we propose to consult residents through such mechanisms as interviews, focus groups or engagement in prototyping exercises.
- In concert with other Council initiatives related to digital inclusion, we shall be engaging with community organisations to ensure that we are both optimising the work we do on digital inclusion and also taking the risk of digital exclusion into account in the design of digital services.

8. EQUALITY IMPACT ASSESSMENT

- 8.1 There are no specific equality impacts arising from this decision. However, accessibility will be a design criterion for any digital services (eg compliance with the internationally accepted Web Content Accessibility Guidelines).

9. LEGAL IMPLICATIONS

- 9.1 We are proposing to procure transformation support from FutureGov to support the initial delivery of the Strategy. A call-off arrangement is in place under which this work can be procured. The contract was let under the Crown Commercial Services framework Management Consultancy Framework 2.

10. FINANCIAL IMPLICATIONS

- 10.1 The expected costs of the proposed Digital Accelerator programme for year 1 are shown in the table below:

Category	Year 1 cost
New internal team	£0.3m
External professional services	£1.2-1.4m
Technology licences	£0.3-0.5m
Total	£1.8-2.2m

- 10.2 In consultation with Finance, an initial estimate of the breakdown of this cost between capital and revenue has been calculated. The rules for such categorisation are complex because software solutions are likely to be purchased as Software-as-a-Service and the categorisation of spend will need to be kept under constant review. The initial assessment of the year 1 breakdown is:
- Capital: £1.45m-1.85m
 - Revenue: £0.35m
- 10.3 Assuming the carry-forward of underspend from 2021/22, the following budgets are included within the Capital Programme :
- Universal Digital Systems - £3.4m
 - Customer Experience - £2.5m (relevant for those elements of the Digital Accelerator that are enablers for the Customer Experience Programme)
- 10.4 Revenue will be drawn from the Digital & ICT reserve (£2.6m assuming the carry forward of IT budget underspend from 2020/21).
- 10.5 The technology licence element of the above costs would be a recurring cost beyond year 1 (albeit one lower than the recurring benefits enabled), though no commitment beyond the first year will be made at this stage. It is expected also that there will be a case to retain and grow the expanded internal digital team. All such future costs and their funding will be addressed in the updated business case to be presented to Policy Committee in autumn 2021.
- 10.5 Given such uncertainties as the detailed funding treatment, and the significance of this digital transformation as an enabler of change, the following controls will be applied:
- Professional services will be procured in short fixed-duration packages no longer than 12 weeks, with clearly defined outputs that will be subject to a financial assessment to confirm funding approach.
 - Each technology procurement will be the subject of its own business case to confirm that confidence in value for money remains.
 - A review will be conducted after each package to confirm the benefits delivered and to ensure that lessons learned from delivery are factored into future plans.
- 10.6 This process will be managed by the Chief Digital and Information Officer and overseen by the Deputy Chief Executive and Director of Finance, in consultation with the Lead Member.

11. BACKGROUND PAPERS

None