

***Connected Reading***  
**Digital Transformation Strategy**

**Digital Accelerator Business Case**

**Appendix 2 to Submission  
to July 2021 Policy Committee**

30 June 2021

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# 1. INTRODUCTION

*“Digital - applying the culture, practices, processes, business models and technology of the internet-era to respond to people’s raised expectations.”*

Tom Loosemore, former deputy director of Government Digital Service

The criticality of Digital – in the wide sense of Loosemore’s definition – has already been recognised by Reading Borough Council and is reflected in a range of initiatives including the modernisation of the Council’s ICT operating model, the agreement of the Customer Experience Strategy, work on digital inclusion, and engagement with local digital industry, for example through the smart cities pilots sponsored by the Thames Valley Local Enterprise Partnership.

To move to the next level in exploiting Digital, the Council has developed its proposed digital transformation strategy *Connected Reading*, with which this document should be read in conjunction.

## 1.1 The *Connected Reading* Strategy

Connected Reading advocates a new connected experience across the Borough in which residents, businesses and visitors are better connected to better and more efficient Council services, to opportunity and to one another.

The Strategy will be delivered through five strongly interrelated themes which emerged through research and design activity involving a wide range of stakeholders who were engaged to explore the opportunities for, and barriers to, a successful digital transformation in Reading.

The overall vision which emerged from that exploration, which aligns with the Corporate Plan, is:

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

The five strategy themes are:

- **Developing Foundations** - to ensure that the right technology and applications are in place and kept up to date, underpinning the other four themes
- **Enabling Investment** - to work with partners and suppliers to create the right infrastructure in Reading for people and businesses – not least local digital industry to thrive

- **Sharing Information** - to enable information to be shared between residents and businesses, the Council and delivery partners, with confidence in security and privacy arrangements, so that service delivery can be optimised
- **Connecting Communities** - to enable residents readily to connect to Council and third sector services, and to strengthen digital inclusion
- **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.

## 1.2 Purpose and structure of this document

This document sets out the business case for the initial investment required in the Strategy: to build digital delivery capability rapidly and begin delivering the benefits of the Strategy. It is explicitly focused on the investment recommended for this financial year 2021/22, but sets this in the context of the Medium Term Financial Strategy (MTFS). It is aligned with the 5-case model standard for business cases.<sup>1</sup>

Section 2, the Strategic Case, sets out the scale of the potential benefits of digital and the barriers that will need to be overcome to realise them, setting out the need to accelerate delivery by putting foundational tools, processes and skills in place, building delivery capability, and connecting together the various facets of the Strategy.

Section 3, the Economic Case, sets out the options for action in 2021/22 both to deliver immediate benefit and to build the capability needed to deliver benefit in the future and assesses their value for money. Its recommended option – the Digital Accelerator – will both enable immediate benefit through work with pathfinder areas of the business which have urgent digital needs, and build long-term digital delivery capability to implement the Strategy fully. It would be delivered by an expanded internal team together with external support which would both accelerate delivery and transfer skills to the internal team.

Section 4, the Commercial Case, describes how external support for the Accelerator will be procured.

Section 5, the Financial Case, demonstrates the affordability of the proposed investment.

Section 6, the Management Case, sets out how the proposed work in 2021/22 will be governed and managed, how benefits realisation will be assured, and how the work of the Accelerator will inform future work.

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<sup>1</sup> Guide to Developing the Project Business Case, HM Treasury, 2018

## 2. STRATEGIC CASE

### 2.1 Digital has significant potential to deliver benefit

The benefits of delivering digital services are well documented and have been independently evidenced by Nesta, whose Connected Councils research found, from case studies compiled by the Local Government Association (LGA), that an average unitary council could save up to 13% of its total budget through digital.<sup>2</sup>

Many councils and central government departments have already made significant progress in moving transactional services online or automating back office functions. For example:

- Moving transactional services online saved the London Borough of Harrow, £1.55 million.<sup>3</sup>
- A similar initiative by the London Borough of Hammersmith & Fulham saved £1.15m.<sup>4</sup>
- Scarborough Borough Council has engaged in a number of digital initiatives. These include the creation of a multi-service delivery tool (in a partnership with North Yorkshire County Council), which can provide all key services required by elderly people and vulnerable adults after just one interview/assessment, and digitisation of environmental services. These two initiatives alone saved over £0.4m.<sup>5, 6</sup>

While digital change is an effective tool in helping councils realise savings, the LGA identified the following benefits that work to deliver better outcomes for residents and businesses, particularly when digital thinking is applied not only to the front-end customer experience but to whole processes end to end:

- a deeper understanding of local patterns of need and interaction with government, allowing resources to be managed, planned and directed to where they will have the greatest impact;
- more effective management of demand – for example, enabling user self-service and supporting peer-to-peer advice-giving and assistance via social media;
- more reliable, speedy, and precise handling of routine, repetitive tasks

***“Councils have made a great deal of headway in moving basic transactions – from reporting missed bin collections to ordering parking permits – online. To fully realise the cost saving potential of digitisation and meet the demands of residents, the next phase of digitisation will have to redesign services from end-to-end to ensure that user pathways are smooth and frictionless and that the workforce can share data without having to resort to manual processes.”***

[Connected Councils: A digital vision of local government in 2025 | Nesta](#), p17

<sup>2</sup> [Connected Councils: A digital vision of local government in 2025 | Nesta](#), p7

<sup>3</sup> Ibid, p8

<sup>4</sup> Ibid, p25

<sup>5</sup> Transforming local public services using technology and digital tools and approaches, [transforming-public-servi-80e.pdf \(local.gov.uk\)](#), p32

<sup>6</sup> Digital Channel Shift Programme Evaluation, LGA, [channel-shift-final-evaluation-soep\\_1.pdf \(local.gov.uk\)](#)

- allowing costly and scarce professional expertise to be targeted at cases which need judgement or at new and unexpected situations;
- faster access to, and sharing of, data between councils, customers, and partner organisations, avoiding the need to collect the same information many times over and saving time on research and information collation; and
- new ways of working that potentially reconcile the goals of providing a better quality of customer experience while reducing costs and improving job satisfaction as staff are focused on higher value tasks, no longer double keying data or relying on multiple systems.<sup>7</sup>

## 2.2 Lockdown has heightened citizens' digital expectations but also the digital divide

As the Customer Experience Strategy has identified, delivery to the majority of people through such digital services can release capacity both to support those people who need to access services in more traditional ways or enable resources to be directed elsewhere. Reading is well placed to realise this opportunity as 86% of the population of South-East England – above the UK average – either meet or exceed the 5 basic digital skills level.<sup>8</sup>

Furthermore, Covid-19 has raised people's digital expectations and confidence. From booking and seeing a GP to accessing financial support services made available by central government, the majority of residents and businesses are adapting quickly to using digital public services. OfCom's annual OnLine Nation report identified a dramatic increase in the use of alternative communications services: "More than seven in 10 online adults in the UK are now making video calls at least weekly, up from 35% pre-lockdown. This trend is particularly noticeable among older internet users; the proportion of online adults aged 65+ who make at least one video-call each week increased from 22% in February 2020 to 61% by May 2020."<sup>9</sup>

The same report, however, also noted that the impact of the digital divide had been heightened by lockdown. While 6% of the whole adult population is without internet access, this percentage rises to 18% for over-64s and 11% for those in lower socio-economic households.<sup>10</sup>

Both these trends are echoed in a small-scale local research study undertaken by Reading University which found that over half of its sample had increased its online activity since lockdown but that barriers such as lack of digital skills and confidence and access to equipment had impacted takeup by the remainder.<sup>11</sup>

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<sup>7</sup> Transforming local public services using technology and digital tools and approaches, [transforming-public-servi-80e.pdf \(local.gov.uk\)](#)

<sup>8</sup> Basic Digital Skills, Tech Partnership, [consumerdigitalindex\\_bdsextract\\_may17.pdf \(techskills.org\)](#)

<sup>9</sup> <https://www.ofcom.org.uk/about-ofcom/latest/media/media-releases/2020/uk-internet-use-surges>

<sup>10</sup> [Online Nation 2021 report \(ofcom.org.uk\)](#)

<sup>11</sup> [Digital-Inclusion-in-Reading.pdf](#), University of Reading

## 2.3 The Council is already committed to Digital change

The Medium-Term Financial Strategy (MTFS) agreed by Council in February 2021 includes £5m of annual savings (4% of revenue budget) to be realised by 2023/24 that have 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.<sup>12</sup>

The Council has already taken first enabling steps 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 and also replatforming its website..

## 2.4 Significant business and technical obstacles remain to be overcome

### 2.4.1 Processes are over-complex; applications are ageing and fragmented

The benefits of digitisation flow from the delivery of efficient, streamlined, easy-to-use services. This demands good processes, clear metrics to be able to measure and improve them, and a commitment to that continuous improvement. These processes should be underpinned by flexible and consistent products that are easy to use, accessible and conform to a common set of standards enabling deduplication (the elimination of duplicate or redundant information).

The Strategy research found that:

- Many processes, in both internal and externally facing services, are complex, poorly documented and not well understood.
- Legacy systems can exacerbate poor processes, requiring time consuming and unclear ways of working that encourage staff to develop their own workarounds, eg the creation of undocumented spreadsheets where data reporting and analysis are inadequate.

### 2.4.3 The organisation is at a very early stage of digital maturity

An industry standard maturity model, developed by Ameo/FutureGov, was used to quantify the Council's level of digital maturity and this was validated by interviews with key stakeholders.

The results reflected the fact that there have already been successes. These included the recent introduction of a video service by the Coroner due to Covid; the development of an application programming interface by the web team to futureproof data flow between platforms; and recent data analysis of customer services and website use to identify levels of

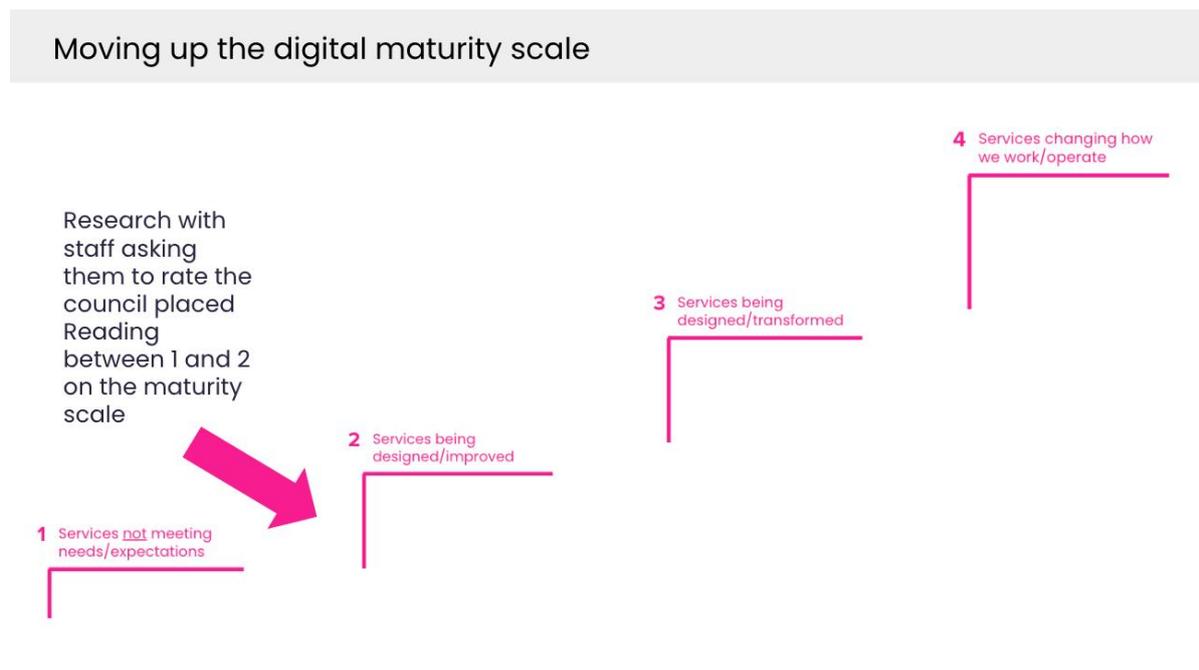
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<sup>12</sup> Customer Experience Platform = tool(s) to provide forms, workflow and access to customer information for use by public via website and by Customer Fulfilment staff.

demand and failure, and to assess how those levels are affected by improvements to the website.

Similarly, there are already programmes in flight that will contribute to the achievement of objectives of the Strategy. These include a programme to upgrade the Council’s housing business application, the replacement of the finance system, participation in the Superfast Berkshire broadband connectivity programme and skills initiatives such as the digital courses launched by the New Directions College.

However, the research highlighted the lack of digital skills and capabilities in the Council to deliver the broader ambition set out in the Strategy. Thus staff placed the Council between 1 and 2 on the scale of 1 to 4, acknowledging the progress already made but clearly reflecting the capability gap. Typically, progressively digital councils are around 3, aiming for 4.



The relatively low maturity is also reflected in the organisation’s level of planning for digital change and benefits realisation. For example, while there are projected annualised savings in the MTFS (2021/22-23/24) of around £5m which rely on digital change to be realisable, the majority of these are at an early stage of planning and £2m are still at concept stage.

#### 2.4.4 The organisation does not currently have the business and technical capacity and capability to make change

Work will be required to realise the MTFS benefits identified in the Workforce Reviews, Fundamental Services Reviews and Customer Service Strategy that form the basis of a large proportion of the £5m saving. In discussions with stakeholders, Corporate Programme Management Office and finance teams, it was acknowledged that Service areas rarely have the capacity to make the change or the skills to deliver more complex improvements, and that this puts at risk the realisation of the savings and other wider benefits associated with the review recommendations.

Where efficiencies and improvements to services rely on changes in platforms and systems that were part of a wider improvement, these changes are currently relying on support from existing digital teams. Reviewing the current level of savings in the MTFS predicated on these types of changes it is clear that the current Digital, Web, Programme Management Office (PMO) and Data teams do not have the capacity or in some cases the capabilities to deliver these improvements. This potentially puts at risk savings and improvements associated with these changes. This was confirmed through reviews of the Adult Social Care Transformation technology projects as well as current plans in the Directorate of Economic Growth and Neighbourhood Services, where projects are currently unable to progress or be prioritised because of a lack of capacity and capability.

It should be emphasised that budgetary provision has been made to support digitally enabled change, for example through the Universal Digital Systems capital budget. The need being identified here is to convert that budget into benefit-realising capability.

## 2.5 The savings target is reasonable but only if we act now to increase our digital maturity

Notwithstanding the barriers identified above, the overall savings target of £5m (4%) of revenue appears reasonable given that councils of a similar size to Reading starting at a similar level of maturity are working towards realising savings of between 3.5-5% of annual budgets over a 3 year period. London Borough of Bexley’s Digital Strategy identified savings of up to £10 million over a 3 to 4 year period: 5% of annual budget. Trafford Council is slightly more progressed in its Modernisation Programme and has recently invested in boosting its digital change capacity and capability to accelerate its work towards an efficiency savings target of £6million: 3.5% of annual budget.

However, realising that target will require concerted action on three fronts to overcome the barriers identified above and move the organisation to level 3 on the digital maturity model:

### 2.5.1 Accelerate

The first of these fronts is that of accelerating delivery by using external capability rapidly to put in place the digital tools, digital delivery processes and skills required both to start delivering benefit and to enable future delivery, overcoming barriers identified above:

<b>Barriers overcome ...</b>	<b>... by Accelerator outputs</b>
Over-complex, poorly defined processes	<ul style="list-style-type: none"> <li>• Embedding of user-centred service design, applied to the collaborative redesign of priority processes with staff and residents, addressing key issues in service delivery, delivering benefits and building confidence;</li> <li>• Patterns catalogue – a set of standard processes and solutions for common problems (eg “making a payment”) so that they are solved only once</li> </ul>
Ageing and fragmented digital tools	<ul style="list-style-type: none"> <li>• Systems Register to identify areas of duplication and opportunities to retire legacy systems</li> <li>• Definition of applications standards</li> </ul>

<b>Barriers overcome ...</b>	<b>... by Accelerator outputs</b>
	<ul style="list-style-type: none"> <li>• Procurement of key foundational technologies that underpin the Customer Experience Strategy and improve the delivery of resident and business facing frontline services and back end functions, including data flow</li> <li>• Extension of use of PowerBI (a data reporting tool) across organisation</li> </ul>
Lack of clear planning for digital savings and benefits	<ul style="list-style-type: none"> <li>• Economic models for measuring and achieving benefits - both savings and service improvements - from digital change that are grounded in the context of the Council</li> <li>• Innovation process and programme to generate, test, challenge and support ideas for digital transformation</li> <li>• Prioritisation process to ensure resources are focused on the right initiatives</li> <li>• Refined digital transformation roadmap/business case for 2022/23-2023/24, prepared as part of budget setting process, setting out approach to delivery of benefits over remainder of MTFS period</li> </ul>
Lack of skills	<ul style="list-style-type: none"> <li>• Delivery through joint external/internal teams</li> <li>• Structured skills transfer programme to both technical and business teams involved in change coupled with upskilling of the broader organisation in the use of digital tools</li> </ul>

The Economic Case explores the value of achieving such acceleration by applying external resource during 2021/22 to the delivery of clearly defined “pathfinder” projects to which there is already strong business commitment, so that the building of capability is combined with the delivery of tangible benefit and the building of business understanding and confidence.

## 2.5.2 Build

The second aspect is to build additional internal digital design, development and data analysis capability. The current staff in these areas (three developers on fixed term contracts within the web team, and a digital team of three with one apprentice) have no capacity to take on substantive delivery work given the demands on them of normal business.

It is expected that this build would take place in two tranches: the first to bring in the capacity required to work with the external team to deliver the projects planned for 2021/22; the second to deliver further benefits in 2022/23. Based on planning for the first tranche and comparison with other authorities at maturity level 3 for the second tranche, it is expected that there would be an increase in digital and data roles of 5 posts in 2021/22 (2 designers, 2 developers, 1 data analyst) and (subject to the further roadmap and business case) a further 6 posts in 2022/23 (1 designer, 2 developers, 3 data analysts). It is also expected that the existing fixed-term web development positions will be made permanent, recognising normal-business demands on them noted above.

### 2.5.3 Connect

The final front on which action is required is to connect the various streams of digital activity across the organisation. While the Digital Futures Board has been successful in achieving a measure of coordination, there is a need also to link in:

- Digital Inclusion, including the implementation of digital-related social value mechanisms in our contracts
- Industry engagement, eg work on smart cities initiatives.

It is envisaged that these links would be established both by coordinating planning and management of activity, to avoid overlap and maximise the benefits of synergy, and by reviewing the Terms of Reference and membership of the Digital Futures Board to ensure that these areas are properly represented.

The Economic Case sets out the options for addressing the areas of action set out above.

## 3. ECONOMIC CASE

This section sets out three options for short-term work to advance the objectives of the Strategy set out in section 2, giving an overview of the approach, benefits, costs and risks associated with each. It then compares the options to identify that providing best value for money.

The options considered are:

- Option 1: Digital Accelerator
- Option 2: Unsupported Development (Do Minimum)
- Option 3: Do Nothing

### 3.1 Digital Accelerator Programme Options

#### 3.1.1 Option 1: Digital Accelerator

##### **Overview of the option**

The Digital Accelerator is a 10-month programme with the twin objectives of delivering demonstrable benefit now and, at least as importantly, building internal capacity and capability to deliver further benefit in the future. It would involve engaging external support to drive the initial work forwards while building the new internal team.

The purpose of using external expertise would be to:

- provide the additional skills and resources needed to deliver the work quickly and in accordance with best contemporary digital practice;
- coach the internal team members to develop new skills and become familiar with different methodologies for managing and delivering digital change;
- provide in-depth specialist knowledge to help deliver against a key challenge, eg detailed knowledge of Mosaic data structures to support work on the improvement of Adult Social Care data analysis.

The intent is, through skills transfer, to eliminate dependency on external support for non-transient needs by the end of year 1.

Functional and system capabilities would be built in a cross-cutting way (eg the Customer Experience Platform would include a payment system that would ultimately be used by all parts of the business). The programme would work with three pathfinder areas of the Council to prove the concepts involved. These are areas which have identified a need for urgent, high-value change which has digital dependencies.

In the Directorate of Resources, the proposed 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 are users of 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.

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 sought by this paper.

A critical gateway will be a review in early autumn and report to Policy 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.

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.

The workstreams shown in Figure 3.1 are defined below.

#### *Workstream 1: Business Systems*

This workstream will have the following objectives:

- Develop an overall plan for the replacement, rationalisation and/or improvement of business systems, reflecting the need for the result to be coherent, with a joined-up experience presented to internal and external users, and appropriate linkage of applications and their data;
- As a pathfinder, procure a solution to replace Civica APP (a business application that supports regulatory and enforcement functions which is end of life and will not be supported from 2022).

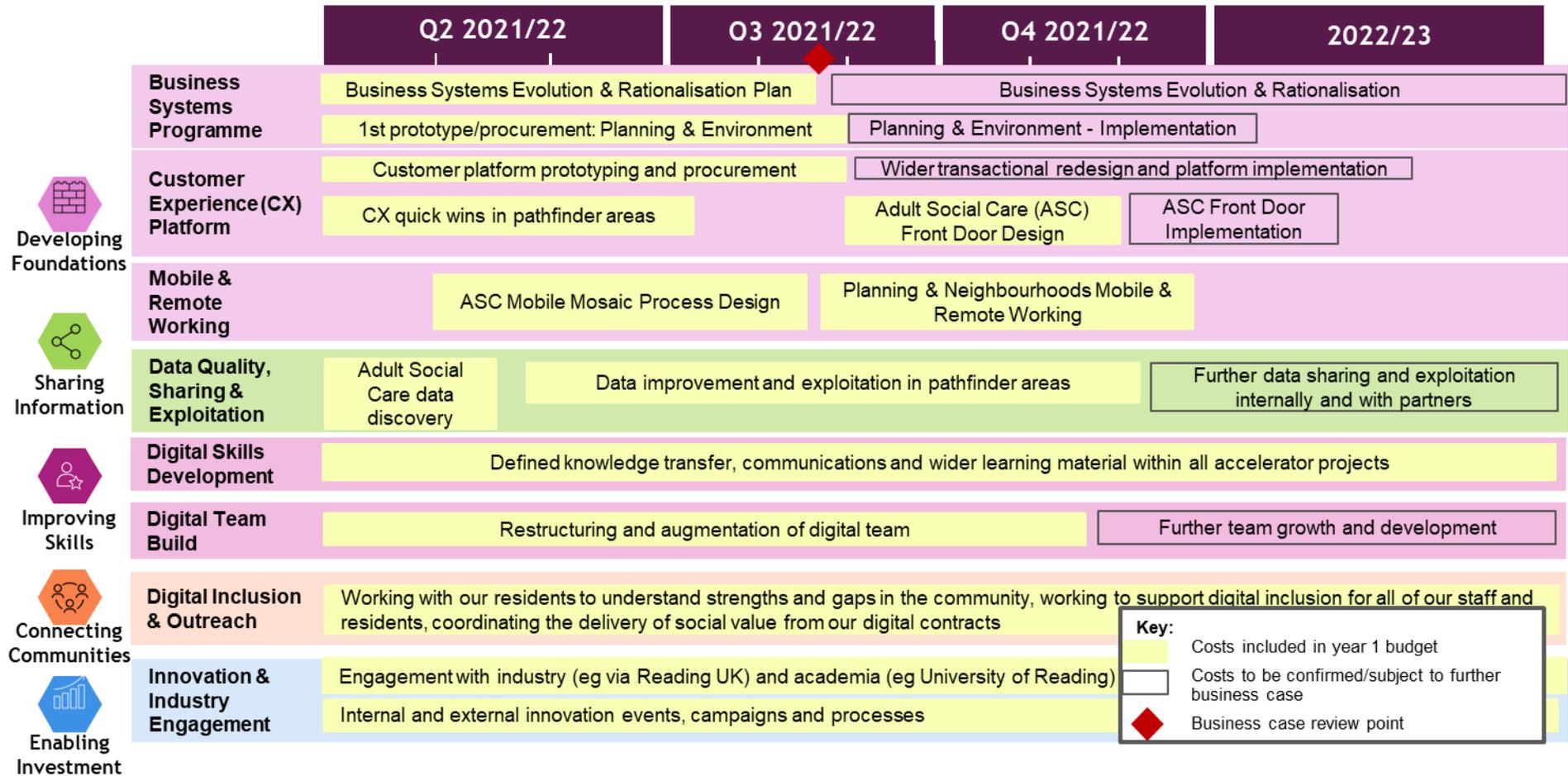


Figure 3.1 Programme plan of option 1 proposed activity

### *Workstream 2: Customer Experience Platform*

This workstream will have the following objectives:

- Procure a Customer Experience Platform. This is one or more products that collectively provide the online forms, workflow, and customer information management functionality required to deliver the Customer Experience Programme.
- Accelerate and enhance early delivery work on that programme by injecting methodologies, technical “know how” and momentum rapidly to improve customer service and realise benefits. This will be done through work on high-priority processes, that generate high demand and/or effort for teams in the pathfinder areas. Candidate processes include waste collection ordering/payment, the end-to-end process for addressing flytipping, and the provision of recycling guidance.
- Design a digital front door for Adult Social Care. This will enable people better to manage their own care through the provision of advice, information, self-assessment tools and links to voluntary sector services, and provide a more streamlined route into Adult Social Care services.

### *Workstream 3: Mobile and Remote Working*

Starting in Adult Social Care, this workstream will focus on providing a consistent set of tools and resources for specialist teams providing support in a range of locations.

Adult Social Care has a number of teams that are required to visit social care users regularly. Currently the teams have limited remote access to Mosaic, resulting in written notes being typed up at home or office, increasing administration time and decreasing time spent with customers. A technical solution to address this by enabling mobile access to Mosaic has been procured.

This workstream will start by supporting the implementation of that mobile solution. The approach will involve working closely with these teams and their services users to identify issues and opportunities and prototype improvements. The workstream will then turn its attention to the mobile working opportunities and requirements in Planning & Regulatory Services and Environmental & Commercial Services, applying and adapting the approaches tested with Adult Social Care.

### *Workstream 4: Data Quality, Sharing and Exploitation*

This workstream will incrementally develop and realise a data strategy for the Council, working with the pathfinder areas to implement reporting, analytics and standards that can then be deployed more fully across the organisation. This work will again start with Adult Social Care, which is currently facing significant challenges in easily accessing and making use of data to inform decision making at both strategic and tactical levels. Challenges in this area are multi-faceted, encompassing technical issues, a legacy of extensive bespoke application configuration, and poor data quality.

Given the complexity of the challenges, this work will begin with a Discovery exercise, to understand the requirements and challenges, formulate a robust understanding of what changes in technology, processes and ways of working will collectively address the need,

and to develop a clear and firmly prioritised plan for change, underpinned by a business case for any further investment required.

Working across pathfinder areas, the workstream will establish a single data toolset and strategy for the sharing, analysis and exploitation of data.

#### *Workstream 5: Digital Skills Development*

This workstream will build internal skills so that the programme can deliver beyond the end of external engagement. This workstream will involve training in methodologies and specific skill sets to the teams that are responsible for digital change (including web, data, PMO and ICT teams, as well as staff involved in business change from across the Council).

Each internal team member working alongside the external provider on the programme will have an individual, measurable learning plan.

To extend the learning and development opportunities of the structured programme to all staff, workshops and formal development sessions delivered as part of the Structured Programme will also be made available to staff and partners through video recordings.

#### *Workstream 6: Digital Team Build*

Current levels of resourcing in the digital and data teams mean that there is only capacity to focus on normal business and minor enhancements. This workstream will build additional capacity in digital service design and development, and in data analytics, both to deliver the Accelerator projects and to provide the capacity and capability needed to deliver future projects implementing the Connected Reading strategy and the remaining benefits targeted.

It is anticipated that there would be an increase of five digital and data posts in 2021/22, comprising two designers, two developers and one data analyst. Comparison with other councils suggests that the team size required to implement the strategy would increase in year 2 by a further five or six posts, but this is to be confirmed and would be subject to the updated business case to be submitted in December 2021. It is also envisaged that the three current fixed-term web development posts – which are wholly occupied in the delivery of “business as usual” change – would be made permanent, in recognition of the need for ongoing website maintenance.

As part of this workstream, team structures would be reviewed to ensure that the organisation was optimally configured for the design, development and support of the expanded range of digital services being introduced.

#### *Workstream 7: Digital Inclusion and Outreach*

The Community and Voluntary Sector, and the Council itself, have multiple initiatives in train to address digital exclusion by supporting residents in accessing the connectivity, skills and equipment needed to get online. Working closely with the Council’s Digital Inclusion Group, this workstream will ensure that these initiatives are coordinated, and identify any gaps so that appropriate action can be taken.

This workstream will also ensure that the online services put out by the Council are accessible and usable, so that they can be used by those with disabilities or other special needs, and by those with limited digital confidence.

### *Workstream 8: Innovation and Industry Engagement*

Reading is a digital hub, and has a unique opportunity to link in with technology companies to benefit residents. This workstream will have two areas of focus.

Firstly, it will inspire internal innovation. This will be done by encouraging staff to learn about the opportunities for exploiting digital to improve services through, for example, attending or watching the videos from the regular show and tells of the different Accelerator Workstreams. An internal programme will then be developed, encouraging teams to share challenges and invite others in the organisation to offer solutions to those challenges.

Secondly, it will drive innovation with industry, academia and in the community, building on rapidly developing industry interest in such fields as Smart Cities. Market engagement with the objective of promoting digital industry investment in Reading will be a particular focus.

## **Option 1 Benefits**

### **Tactical financial benefits**

This option will enable a number of benefits within the Medium Term Financial Strategy (MTFS). The table below summarises these, indicating both the target per-annum recurring benefit to be enabled and the total value of the benefit currently expected over the MTFS period (2021/22 to 2023/24), taking implementation timing into account.

<b>Saving</b>	<b>Per-annum value</b>	<b>Est. total over MTFS period</b>
Process optimisation for front-end Customer Fulfilment Team, including re-engineering of 1-3 high priority problem “customer journeys” – demand reduction and efficiency gains	£150k	£425k
Quick wins in Environment & Commercial area implemented. Candidates are: waste collection ordering/payment, flytipping end-to-end process, recycling guidance – efficiency gains	£175k (±£25k)	£425k
Planning & Regulatory (et al) efficiency gains: <ul style="list-style-type: none"> <li>• Civica APP replaced</li> <li>• Top 1-3 end-to-end processes surrounding Civica APP re-engineered: candidates include planning guidance and the Love Clean Reading portal.</li> <li>• Remote and mobile working optimised, including appointment and visit booking</li> </ul>	£200k	£300k
DACHS – an assessment of the contribution made by this work to the overall efficiency savings proposed for DACHS, enabled by improved data-driven insight into provider costs supporting cost reduction, and streamlining of processes facilitating efficiency savings through planned restructure)	£200k	£300k

Saving	Per-annum value	Est. total over MTFS period
<ul style="list-style-type: none"> <li>• Work needed to drive data improvement scoped</li> <li>• Remote and mobile working optimised, using the Mobile Mosaic project to drive process and data improvement</li> <li>• Adult Social Care front door designed</li> </ul>		
<b>Total</b>	<b>£725k</b>	<b>£1,450k</b>

### Strategic enablement benefits

Through delivery of the following outcomes, this option will put the organisation in a position to realise the Connected Reading strategy, including the delivery of the remainder of the £5m pa benefits expected to flow from digital transformation.

Outcome	Description
Robust plans for strategy implementation	<ul style="list-style-type: none"> <li>• Updated business case</li> <li>• Business application roadmap</li> <li>• Data strategy</li> </ul>
Enabling tools	<ul style="list-style-type: none"> <li>• Customer Experience Platform</li> <li>• Data analysis tools</li> </ul>
Delivery capability	<ul style="list-style-type: none"> <li>• Team with capacity to maintain delivery momentum</li> <li>• Established processes for digital service design and delivery</li> <li>• Skills built in internal delivery team</li> </ul>
Engagement and commitment	<p>Built on the basis of a demonstrable commitment and capability to deliver, with:</p> <ul style="list-style-type: none"> <li>• Staff</li> <li>• Residents</li> <li>• Industry</li> <li>• Delivery partners</li> </ul>

### Costs

Cost Type	Amount	Rationale
Expanded internal team costs	£0.3m	5 additional posts for the period of delivery
Technology licences (per annum recurring costs for Software as a Service)	£0.3m-0.5m	Solutions for Customer Experience Platform vary widely in price so a range of £250k-450k has been allowed. The remaining £50k covers data reporting software
External Professional Services	£1.2m-1.4m	Range reflects estimating uncertainty
<b>Total</b>	<b>£1.8-2.2m</b>	Of which £1.5m-£1.7m is one-off cost

### 3.2.2 Option 2 – Unsupported Development (Do Minimum)

#### Overview of the option

In this option, RBC does not invest in external consultancy support, but steadily grows and upskills internal capacity to deliver digital transformation. Change would be slower (24 month time scale), as work would need to be staggered to allow for the internal development of delivery processes and the onboarding and development of new staff. Work would be prioritised to maximise the delivery of financial benefit.

This would have the following impact on the work described for option 1.

Project	Start	Duration	Discussion of impact
Workstream 1 – Application Roadmap	Q2 21	Ongoing	This work would continue within the ICT Design Authority function, although its effectiveness would be compromised by delays in putting in place enabling platforms, so completion to the desired level would slip by ~18 months
Workstream 1 - Civica App replacement	Q2 21	10 months	This work would be prioritised given its criticality, but it is estimated that it would extend by 5 months
Workstream 2 - Customer Experience Platform	Q3 22	12 months	Selection of a platform would be delayed by 18 months, impacting full implementation of the Customer Experience strategy
Workstream 2 - Customer Experience related “quick wins”	Q2 21	9 months	This work (not dependent on the platform) would be prioritised given the high potential benefits but it would have less resource dedicated to it, impacting timescale and quality
Workstream 2 - Adults Front Door Redesign	Q2 22	6 months	Completion delayed by 9 months, reflecting reduced resourcing which may also impact quality
Workstream 3 - Mobile & Remote Working	Q3 21	6 months	This work would be limited to technical implementation of the mobile capability in Adult Social Care. There would be no capacity for process improvement and no capacity to address remote working in other areas

Project	Start	Duration	Discussion of impact
Workstream 4 - Data quality, sharing and exploitation	Q4 21	12 months	Once additional resource was recruited, this work would be progressed, but there would be no capacity to address the data analysis requirement in Adult Social Care
Workstream 5 - Digital skill development	N/A	Ongoing	There would be no additional investment in this area
Digital Team Build	Q2 21	6 months	Design, delivery and data capability would be recruited in line with the plans set out for option 1
Digital Inclusion and Outreach	N/A	Ongoing	Limited capacity would be available for these given the need to focus on internal delivery.
Innovation and Industry	N/A	Ongoing	

## Benefits

### Tactical financial benefits

The table below gives an assessment of how the financial benefits described for Option 1 would be impacted in an Option 2 scenario.

Saving	Per-annum value	Est. total over MTFS period
Process optimisation for front-end Customer Fulfilment Team – <i>benefit expected to be delayed by 6 months and reduced in scale</i>	£100k	£200k
Quick wins in Environment & Commercial area implemented - <i>benefit expected to be delayed by 6 months and reduced in scale</i>	£100k	£200k
Planning & Regulatory (et al) efficiency gains: <ul style="list-style-type: none"> <li>• Civica APP replaced – <i>delayed by 6m</i></li> <li>• Top 1-3 end-to-end processes surrounding Civica APP re-engineered: candidates include planning guidance and the Love Clean Reading portal – <i>not included</i></li> <li>• Remote and mobile working optimised, including appointment and visit booking – <i>not included</i></li> </ul>	£50k	£100k
DACHS – <i>no data benefits; mobile working benefits reduced and front door delayed</i>	£50k	£75k
<b>Total</b>	<b>£300k</b>	<b>£575k</b>

### Strategic enablement benefits

The table below sets out how the strategic enablement benefits of option 1 would be impacted in an option 2 scenario.

Outcome	Description
Robust plans for strategy implementation	<b>Significantly impacted</b> – Given delivery delays in the programme as set out above, it is estimated that it would take at least 18 months to reach the required level of planning
Enabling tools	<b>Significantly delayed</b> – notably 18-month delay in customer experience platform
Delivery capability	<b>Significantly impacted</b> – the development of capability would take place organically over the life of the 24-month programme
Engagement and commitment	<b>Not substantively delivered</b> – This option would not build the momentum of delivery required for this level of engagement; indeed the effect of slow delivery could prove negative

The consequence of these impacts is that the realisation of the remainder of the £5m savings targeted would be delayed by at least 18 months and the risk associated with their delivery considerably increased.

### Costs

Cost Type	Amount	Rationale
Expanded internal team costs	£0.6m	5 additional posts for the extended period of delivery. Note that this is a conservative estimate
Technology licences (per annum recurring costs for Software as a Service)	£0.3m-0.5m	These would be incurred in year 2 rather than year 1 given slippage in procurement
External Professional Services	0	Range reflects estimating uncertainty
<b>Total</b>	<b>£0.9m-1.1m</b>	

### 3.1.3 Option 3 – Do Nothing

#### Overview of the option

This option maintains the “as is” without any external support or internal digital skills build.

#### Benefits

While work would continue to seek to deliver the Customer Experience related benefits, it is likely that these would be seriously impacted given other pressures on the resources required for digital development. Furthermore, the organisation would be exposed to risk through the inability to undertake the replacement of Civica APP, which is end of life. Consequently, it is reasonable to judge the level of net benefit of this option to be zero.

None of the strategic enabling benefits would be delivered and consequently the £5m savings targeted by the digital strategy would be at high risk. Further risks include:

- Capacity to deliver digital change is limited, and significant pressure will be put on existing resources, which could impact on morale
- Pace of change is likely to be slow, and to lag behind the digital expectations of our residents, which could impact on customer satisfaction
- Lack of investment in skills will leave RBC reliant on external support to deliver meaningful transformation

## Costs

The costs described for other options would not be incurred. However, it should be noted that the reality of the issues faced by, in particular, the pathfinder areas targeted by option 1 is so pressing that tactical action – which on its own would be unlikely to contribute to the achievement of the benefits set out here – could well be required simply to maintain current delivery. Zero is therefore arguably an overly optimistic estimate of the true cost.

## 3.2 Options Appraisal

The table below summarises the costs and benefits of the options

Option	1 – Accelerator	2 – Do Minimum	3 – Do Nothing
Programme delivery cost (£m)	1.8-2.2	0.9-1.1	0
Recurring benefits enabled (£m)	0.7	0.3	0
Benefit in MTF5 period (£m)	1.4	0.6	0
Strategic enablement (overall £5m pa target)	Good	Seriously impacted – minimum 18 - month delay and increased risk	Not enabled – very high risk to benefits delivery

Option 3 (Do Nothing) would create operational delivery risk (eg through the failure to replace Civica APP promptly), seriously endanger the delivery of the benefits targeted by the strategy and signal to staff and other stakeholders a lack of intent to invest in digital transformation. It is not recommended.

In the short term, Option 2 (Do Minimum), in which the strategy would be pursued but through organic internal growth rather than a focused external investment would attract lower cost and deliver benefit at only a slightly lower rate of return. However, the need to elongate the programme to allow for that organic development would drive a slippage of around 18 months in overall strategy delivery, and the loss of momentum creates a risk of disengaging staff and other stakeholders that could create further risk.

Option 1 requires £1m more investment than option 2, but 80% of this is recouped in additional benefit realised in the MTF5 period; there is no delay in the ability to pursue the wider strategic potential of digital transformation; and momentum is maintained.

Option 1 is therefore the recommended option because it has the greatest potential to develop digital skills and establish confidence within the organisation that digital solutions can deliver benefits.

## 4. COMMERCIAL CASE

The Commercial Case summarises how the external support for the preferred option – the Accelerator (Option 1) – will be procured and how the contract will be managed.

### 4.1 Procurement

At the outset of work on the Digital Transformation Strategy, the support of an external partner, Ameo (part of FutureGov) was procured through a competition run using Lot 1 of Crown Commercial Services' Management Consultancy Framework 2 (RM6008). The tender covered the development of the Strategy with the potential (not committed at that point) for future assistance in implementation of the Strategy and knowledge transfer to RBC staff.

Proposals were received from eight suppliers and evaluated against published Most Economically Advantageous Tender criteria. The financial evaluation took account of the ratecard that would be used to price future work such as that required for the Accelerator. The evaluation process included both the analysis of written proposals and presentation sessions, which included senior business stakeholders from all directorates, with five shortlisted suppliers. The Ameo/FutureGov proposal was assessed to be both the highest quality proposal and the Most Economically Advantageous Tender overall.

Given the robustness of the competitive process already undertaken, the quality of the work done to date and the knowledge of the organisation that Ameo/FutureGov has established, it is assessed that procuring the services required for the Accelerator from Ameo/FutureGov represents the best value for money and lowest risk approach.

### 4.2 Contracting approach

As set out in Section 6 (the Management Case) below, projects within the Accelerator will be delivered by a combined RBC and FutureGov/Ameo team. An agile approach will be employed, in which the definition of both the outputs and detailed resource allocation of each two-week sprint will be informed by the findings of the preceding sprint.

To satisfy the need for flexibility demanded by this approach while ensuring control, the following approach will be adopted:

- Ameo/FutureGov will be contracted on a time-and-materials basis to allow flexibility in output and resource definition.
- Work will be contracted in short work packages with a cap on total cost for each work package. The effectiveness of the approach will be reviewed at the end of each work package and adjustments made if appropriate.
- Work packages will be no longer than twelve weeks and the first package will be limited to six weeks so that the effectiveness of the approach can be reviewed early.
- Contract reviews will be held at least every six weeks between RBC's Chief Digital & Information Officer and Ameo/FutureGov's project sponsor.

## 5. FINANCIAL CASE

The purpose of the financial case is to demonstrate the affordability of the preferred option. It sets out the capital and revenue requirements of the option and sets out how these will be funded.

Given that the focus of this case is on the year 1 Accelerator work, and that a revised and expanded business case in support of the future Digital Transformation programme will be brought to Policy Committee in the autumn of 2021, this section focuses on the year 1 costs. However, it does also comment on recurring costs.

Given the early stage of the Programme, there is significant uncertainty over some costs. For example, the costs of software solutions for the Customer Experience platform vary differently in respect of both product costs and ongoing capability development costs (ie the size and skills of the team needed to develop capability using the platform). Close scrutiny of cost estimates will therefore be applied at the point of each major decision (eg the selection of products) as well as at programme checkpoints, notably the first key review point in the autumn of 2021.

### 5.1 Capital and revenue requirements

The capitalisation treatment of Software as a Service (SaaS) and services related to it is a complex matter and guidance is evolving. On the basis of discussions between the project team, RBC Finance and an external financial advisor, we have agreed the following broad assumptions, which will be discussed with the Council's external auditors.

Type of expenditure	Treatment
Licences for SaaS products	First year capital Subsequent years revenue
Research activity, eg determining whether a requirement should be addressed by procuring one SaaS product or by procuring and integrating two products	Revenue
Procurement activity for SaaS product once the scope of procurement is clear	Capital
Development of design, documented processes and applications/configuration within a SaaS product in order to produce a usable business capability	Capital
Training of staff including skills transfer to internal digital team	Revenue
Internal staff time spent on activities identified as capital above	80% capital, recognising that a proportion of staff time will be spent on activities that cannot be capitalised (eg administration)

It will be necessary to apply this guidance to the detail of the actual costs incurred in each project to ensure that treatment is correct, and the overall picture will therefore need to be reviewed regularly. However, applying the guidance above at a broad level to the year 1 costs of the project indicates the following requirements.

<b>Cost category</b>	<b>Y1 capital (£m)</b>	<b>Y1 revenue (£m)</b>	<b>Y1 total (£m)</b>
Expanded internal delivery team	0.25	0.05	0.3
Professional services	1 ± 0.1	0.3	1.3 ± 0.1
Product licences	0.4 ± 0.1		0.4 ± 0.1
<b>Total</b>	<b>1.65 ± 0.2</b>	<b>0.35</b>	<b>2.0 ± 0.2</b>

As set out above, the majority of this cost is associated with the specific projects in the Accelerator delivery plan and is therefore specific to year 1. However, it should be noted that:

- The product licence cost is expected to become an annual recurring revenue cost as products are expected to be purchased on a Software-as-a-Service basis in line with current best practice.
- While the majority of the team cost is specifically associated with the delivery of projects, we expect that the enlarged team will also be retained (and grown further) in future years in order to continue delivery of the strategy and its benefits after this stage. Indeed, this is necessary for the full realisation of the skills transfer benefits offered by the Accelerator. While it is to be expected that much of this team's time would continue to be capitalised, there is at least a revenue commitment of the year 1 scale implied.

## 5.2 Funding

Year 1 capital requirements (estimated to be £1.65m ± £0.2m) can be met from a combination of the following:

<b>Budget</b>	<b>Size (£m)</b> (assuming carryover of 2020/21 underspend)	<b>Notes</b>
Customer Experience	2.5	Relevant for elements of the Strategy directly supporting the Customer Experience Programme - ~£0.5m
Universal Digital Systems	3.4	Budget intentionally set aside to fund strategic digital capability across organisation

Year 1 revenue requirements (estimated to be £0.4m) can be met from the ICT reserve, which is £2.6m (assuming the carry forward into that reserve of ICT underspend in 2020/21).

We are therefore confident in the affordability of the year 1 costs, even allowing for the fact that there is some uncertainty over capitalisation.

Recurring revenue costs from year 2 onwards specifically attributable to the year 1 activity are around £0.4m. This should be considered in the context not just of the initial £0.75m

annual recurring savings but the wider target figure of £5m that they will help to enable. The size, funding arrangements and return on investment pertaining to these and any other future costs will be presented in the business case update. They will be incorporated into the 2022/23 budget submission, along with the savings they enable.

# 6 MANAGEMENT CASE

The Management Case sets out how the Accelerator will be robustly governed and managed, and how benefits realisation will be assured.

## 6.1 Governance

### 6.1.1 Projects and project roles

The Accelerator will be run as a number of projects. The set of projects will vary over time in line with the programme plan (see figure 3.1) but will initially comprise:

- Civica APP replacement project
- Customer Experience Platform procurement project
- Customer Experience Quick Wins project
- Adult Social Care Data Discovery project

Each project will have individuals allocated to the following roles:

- Project manager – accountable for coordination and delivery of the project and typically drawn from the RBC Programme Management Office
- Business sponsor – accountable for ensuring business participation, championing of the project and ensuring that its objectives and business benefits are realised, and typically drawn from the relevant business area.

Additionally, programme managers from both RBC and Ameo/FutureGov will be allocated to manage coherence across delivery of the overall programme.

### 6.1.2 Governance bodies and principles

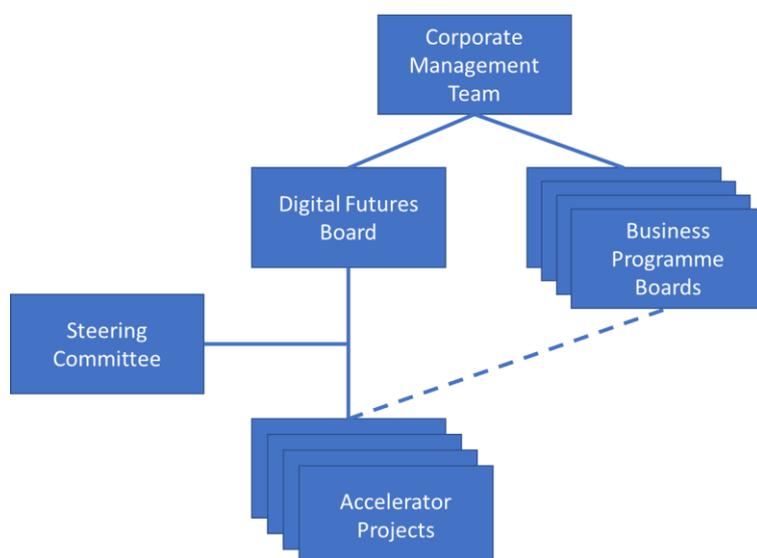


Figure 6.1 – Governance Structure

The roles of the governance bodies shown in Figure 6.1 are as follows. The structure reflects the fact that Accelerator projects have a dual purpose: to deliver a business benefit and to develop strategic digital delivery capability that will enable the delivery of future benefits in other areas.

- **Corporate Management Team (CMT)** – Given the centrality of digital transformation to the organisation, the Accelerator will report quarterly into the CMT (chaired by the Chief Executive) for the purposes of strategic oversight. In particular, the CMT will be a key reviewer of the business case update to be presented Autumn 2021. CMT will also be the ultimate decision-making body in the unlikely event that the Digital Futures Board and a business programme board disagree over a decision in which they both have interest.
- **Digital Futures Board** – Responsible for delivery of the Digital Transformation Strategy overall, this Board will hold projects to account for their delivery of project objectives and performance against budget. The Digital Transformation Board meets monthly and is chaired by the Deputy Chief Executive.
- **Business Programme Boards** – Typically, Accelerator projects will be supporting delivering of transformation savings being delivered by other Business programme Boards. These Boards will, where appropriate, ensure alignment with Strategies in those business areas, and receive and monitor reports on the delivery of associated business benefits. These boards typically meet monthly and are chaired by Executive Directors. Examples of this type of second reporting relationship are:
  - Customer Experience Platform procurement project to Customer Experience Programme Board
  - Adult Social Care Data Discovery project to Adult Social Care Transformation Board
- **Steering Committee** – This group will meet weekly, bringing together project managers with those who have cross-cutting management (eg programme manager) and assurance (eg RBC's Design Authority) roles. Its objective will be to identify and address any exceptions or blockers to progress, and to ensure common understanding of the whole programme picture across projects.

The following principles will be adopted to ensure that projects are able to make rapid progress:

- Each project will have a charter, agreed by the boards to which it reports. The charter will set out the project's objectives and benefits, budget and any constraints within which it must operate. In particular, the charter will set out the role of boards in key decisions (eg the selection of the Customer Experience platform). This will mean that there will be clarity for project and programme managers over what decisions can be made internally and what decisions need to be referred upwards.

- The project manager will report to the Boards a meaningful statement of progress against achievement of the charter, highlighting risks or issues in that are substantively endangering achievement of what is set out in the charter, with their mitigation plans.
- If the project is on track (ie the project manager is content and the boards to which the projects report have no cause to disagree), they will be allowed to deliver unimpeded.
- If this is not the case, then the project is in exception, and appropriate representatives of both boards should be involved in the remedial plan, as agreed appropriate at the time.

### 6.1.3 Reporting to Policy Committee

Officers will report to Policy Committee on the delivery of the Digital Transformation Strategy. The first such report will be in autumn , at which a report on delivery by the Accelerator will be presented, together with an updated business case setting out the plans for delivery of the further benefits targeted by the Strategy.

## 6.2 Project Management

Each project will use Agile project management structures to shape the delivery, focus and pace the work. Sprint plans will be developed during the setup of each project with the project manager and business sponsor integral to this process.

Each project will work in 2-week sprints, with twice weekly “standup” meetings, and fortnightly checkpoints at which the results of and lessons from the previous sprint will be reviewed and the next sprint planned. “Weeknote” reports will be used to communicate progress and findings between teams and to stakeholders and will be an input to the Steering Committee.

Show and Tell sessions, open to all in the business, will be used to share progress and engage staff. These sessions, which were well attended and well received during the Strategy’s development, will be recorded and made available to review along with any supporting materials.

At the end of each project (or project stage for longer projects), there will be a full lessons-learned exercise to ensure that the knowledge developed during the project is codified to inform future work.

## 6.3 Benefits Realisation

Given the scale of both the investment in digital transformation proposed and the benefits targeted, it is important that a robust approach is taken to the identification and realisation of benefits.

Each project will develop, on the basis of data analysis, field interviews and observation, a view of how digital interventions will give rise to beneficial impacts that can be realised as tangible benefits. An illustrative example is shown in figure 6.2

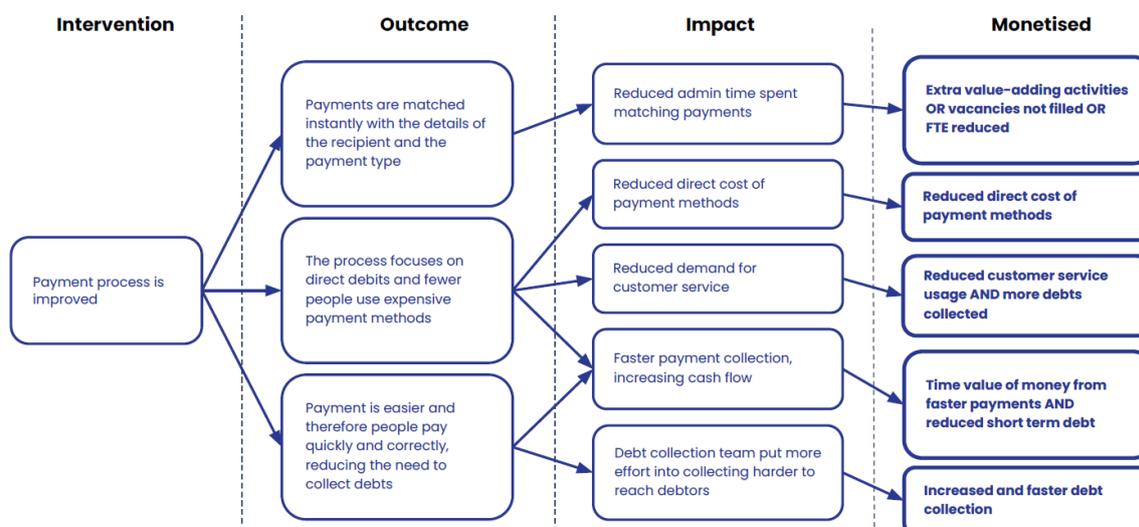


Figure 6.2 – Illustrative example of theory of change

Links such as those shown in the diagram can be developed into hypotheses. For example, taking the "reduced demand for customer service" impact box of figure 6.2, an analysis might conclude: *if 10% of calls to the contact centre are no longer required as payment methods are easier and citizens can self-help then this would enable savings in administration time of £25k per annum.*

Prototyping will be used to validate aspects of the theory of change around which there is substantive uncertainty. Depending on the nature of the theory and the uncertainty, this may be "low fidelity" prototyping, where paper or visual mockups of a process are tested with staff and/or residents, to "high fidelity" prototyping, where an initial version of a new service is implemented and tested with a limited group, or even more widely with the public.

These approaches will be employed to ensure that the "theory of change" is validated with real evidence, before committing to the full implementation of a digital service, providing confidence that the benefits forecast will actually be realised.

As a digital service moves into implementation, the business change activities required to monitor and realise benefits will be reflected into project planning and the Corporate Savings Tracker managed by the Corporate PMO.

A knowledge bank of theories of change will be maintained, and updated to reflect the results of benefits realisation activity. This evidence will be used to stimulate the identification of further digital transformation opportunities and to provide evidence substantiating the business case for their implementation.