

## **DIGITAL BY DESIGN – EXECUTIVE PROPOSAL**

### Report of the Deputy Chief Executive

#### **1. INTRODUCTION AND PURPOSE OF REPORT**

- 1.1. The Investing in Stockport (IIS) strategic framework was agreed by the Executive in July 2014. It sets out our approach to promoting sustainable growth and reforming public services in order to deliver key outcomes, and sets a clear ambition to ensure that, if a service can be delivered online we will design it in a way that encourages our customers to access it in this way. Access to other channels, such as face-to-face or telephone, will increasingly be used in targeted ways to offer assistance to people less able to access digital services.
- 1.2. In December 2014 we set out our intention to further develop our approach and understanding of how, within the Investing in Stockport Programme, Digital capability can enable and support our growth and reform ambitions. Since December, officers have undertaken a robust analysis of organisational and customer facing needs and translated these into high-level requirements for the future.
- 1.3. This report sets out the draft proposal for a Digital by Design Programme to better use technology to keep people informed and connected; and to reduce the cost of services. These issues are presented for discussion by the Executive following discussion at the Corporate, Resource Management and Governance Scrutiny Committee and an all-Members briefing on the 7<sup>th</sup> July. Specifically, the Executive is asked to consider the shape of and investment required for the digital programme and to comment on the proposals contained within the report.
- 1.4. The scale and importance of the Digital challenge and the significance it has for the Council both now and in the future necessitates all-Member involvement. Member engagement has so far included the recent Scrutiny Review into Understanding the Accessibility of Digital Services in Stockport, the consideration of this proposal at the Corporate, Resource Management, and Governance Scrutiny Committee, and an all-Member briefing. These form part of a wider strategic approach to ensuring that all residents, service users and staff are encouraged and assisted to access digital services and opportunities. This will ensure that our Digital programme widens and strengthens access to, and engagement with, the Council: and will in no way be an excuse to retreat from those that need our help. An important method of Member engagement is continuous debate and involvement through the small, cross-party working group. This is to be convened in response to the recent Scrutiny Review recommendation and will continue to secure strong Member involvement in this work.

#### **2. SUMMARY PROPOSAL**

- 2.1. The Executive is proposing a significant investment of one-off resources to modernise a range of Council services with a focus on the provision of information, customer contact, on line self-service, engagement with communities and the ability to create a more joined-up view of our customers over the coming years. The

programme will implement a number of technologies that together allow existing information and systems to be integrated. This will provide a more joined-up view of our residents and service users and provide the Council with rich information about our customers. Clearly, the holding of such data and information about people will be strictly controlled and governed to satisfy the requirements of data protection legislation and information sharing protocols. In addition, a new public facing portal will ensure people have an easily accessible 'window' into the Council, tailored to their circumstances, which helps them find information, communicate with support providers, engage with others in their community, report issues, and book, request and pay for services online.

- 2.2. These new capabilities would be delivered in a phased approach, beginning firstly with an agreed list of services but then extended to others through subsequent phases. Not all services will form part of the new Digital offer within the first Programme (2015/17), but the initial investment in skills and technology will ensure other services will become part of the Digital offer in future years; in fact we will expect managers to combine the technical ability of the Council with the principle of designing services for the future to promote and implement online access and self-service wherever possible.
- 2.3. Support for residents, service users and our workforce is recognised as a core part of our proposal. New forms of Digital assistance will be offered in ways that encourage confidence online, improve accessibility and ensure no-one is disadvantaged, whilst helping to build Digital skills.
- 2.4. The proposal, though, is not only focussed on improving the interaction between the Council and our customers. With the financial challenges facing public services, what is being proposed is seen as critical to ensuring that the Council is able to focus its resource as much as possible on delivering its key outcomes, in particular by supporting those most in need. Systems and methods that currently exist in supporting the delivery of services are largely still focussed on processes that need to be overseen and managed by people. By investing now in enabling the Council digitally, we are future proofing our operation and taking the best chance we have of keeping costs to a minimum and delivering efficient services.

### **3. CONTEXT**

- 3.1. Digital technology has transformed the world in which the Council operates. Recent advances have made mobile, social and open digital technologies commonplace and allowed residents, service users and our workforce to incorporate them into their daily lives. There has been a revolution in consumer behaviour and expectations that is now, quite rightly, impacting on how public agencies design and deliver services. As pre-digital generations give way to 'digital natives', it is clear that these trends will continue to be a significant driver of the Council's operating context for the foreseeable future.
- 3.2. The potential of this digital revolution to improve lives goes far beyond what might have been expected when the initial phases of what then was called 'e-government' were rolled out in the early years of this Century. The idea that digital communication was simply another 'channel' to present information to the public has given way to an understanding of the potential for real two-way and multi-party digital conversations,

between the Council and its residents and service-users and, perhaps more importantly, between those residents and service-users themselves.

3.3. The Executive is satisfied that, within the bounds of available resources, the Council has sought to respond appropriately to this the need to support the use of digital. A number of initiatives in recent years have improved how Digital technologies are used both within the Council and to engage residents and service-users. Indeed, a number of recent improvements have been implemented in parallel with the development of the Digital by Design programme, drawing on the emerging thinking. These include the introduction of:

- **Find It** – tailored information on public services, community buildings, planning matters and other issues relevant to your home or location.
- **Web Chat** – a new way for customers to access information; in particular it is used to help people complete their enquiry or transaction online by resolving problems or asking questions in real time. This approach also improves customers' skills and knowledge about our Digital offer.
- **Online Transactional Forms** – over 25 of the Council's main transactions can be completed online with direct automation into the back office systems. In the last three months, over half of all street lighting, street cleaning and highways reports were completed online.
- **Free public Wi-Fi** in 20 Council buildings.
- Our **My Council Account** – over 1,000 residents and businesses have registered to manage their Council Tax or Business Rates Account; Housing Benefit; or Council Tax Support online.
- Further improvements in our use of **Social Media** – in the last three months Council accounts have received 5,500 more Twitter / Facebook engagements; sign up to e-mail alerts increased by 320%; and training and policy changes have been put in place to enable social media access to be rolled-out across the workforce.

3.4. Despite this good work, given the scale of the challenges faced by the Council, of the opportunities presented by new Digital technologies and practices, and of the shift in the expectations, connectivity and skills of our residents and service-users, the Executive feels it is time to invest in creating a step-change in our approach to digital. In doing so we are confident that we will:

- Greatly improve the customer experience offered to residents and service-users, including ensuring all those that need support get it;
- Support delivery of our ambitious Investing in Stockport programme of growth and reform; and
- Create a Digital operating model that provides a platform for further reform and efficiency to help meet the challenges of future years.

#### 4. ASSISTED DIGITAL

4.1. This digital revolution has not yet reached everyone, but access is growing year on year. Approximately 84% of the UK adult population have access the internet, with growth now being driven by people (generally on lower incomes) who access it exclusively through smart phones (Ipsos Mori, 2013).

- 4.2. The benefits of being digitally connected are increasingly understood. Digital Unite, an agency promoting inclusion and training, found that 81% of the over 55's say that being online helps them to feel part of modern society; 82% found that they save money by buying products and services online; and 71% said they can do things, like paying bills, more quickly and easily.
- 4.3. Analysis undertaken by the Government Digital Service has shown that around 14% of the population are 'hard to reach' and as a result may need assistance to access digital channels of service delivery. This is a significant number; however research has shown that effective means of support can successfully be put in place to support digital access and confidence.
- 4.4. Locally, we consulted representative focus groups on a range of issues, including their views on our digital ambition. The overwhelming majority of participants said that on a regular basis, they bank, shop or keep in contact with family or friends online. Generally, there was support from participants for the broad principle of moving services online for those who were able to access them. Average levels of confidence were also very high, supporting the Council's assumption that the majority of people already use digital services on a regular basis. The focus groups also endorsed our assumption that digital services and access points need to be designed to a high quality if people are to opt to use them over traditional channels.
- 4.5. Our approach to assistance across the Digital by Design programme will support a small but important group of service users. This will be undertaken through a suite of additional services to enable them to use online council services either on their own or with help. The support will include guiding customers through the digital service for the first time, entering a customer's information into the digital service on their behalf, and support provided over the phone, via Web Chat or face to face. Training sessions will also be available for customers who lack basic skills to show them how to use the facilities. This of course needs to be augmented by supporting the development of access to the internet/ICT in communities, building on the existing provision in Libraries and by other private and social enterprises, and other public, voluntary and community organisations.

## 5. BENEFITS

- 5.1. Work done to prepare our Digital by Design programme has identified a range of significant benefits that will allow us to meet the ambition outlined above. These are set out here for consideration by the Executive.

### Improving customer experience

- 5.2. Our proposed approach, as set out in more detail below, involves investing in six new digital capabilities. The principal customer benefits of these are that:
  - **Information** about the Borough and Council services will be easier to access, and will be better targeted at people based on an understanding of their interests and situation;
  - **Social networks** will put people in touch locally, allowing them to support each other, share information and contribute to their community;

- The Council's Digital offer will be fully **mobile** accessible, providing 24/7 access on the move;
- A new **customer portal** will provide radical improvements in how customers access services. The Digital by Design programme will ensure that the vast majority of service users report issues and request, book and pay for services online, receiving up to the minute alerts about how their transaction is being addressed. This capability will include opportunities for customers to manage their personal information in a way that ensures they only need to provide information once (including changes in circumstances), and that they have an opportunity to contribute their experience and other relevant contextual information directly into case records;
- The Council will draw on the **data** created through Digital transactions to ensure customers receive more personalised and tailored services. In some cases services may be able to intervene earlier to stop problems escalating;
- All services will build in **assistance** to ensure we do not create access problems that are not apparent currently.

5.3. These benefits have been explored further and set in context in a series of '**customer journeys**' that are enclosed at Appendix 1 to this report. These have been developed to provide an indication of what the Digital by Design programme could mean for customers in the future, by highlighting examples of how key aspects of processes might change, for example through the introduction of online payments or appointments booking, the introduction of rules-based assessments, or improvements to multi-agency working. In this way, the journeys illustrate the common steps each customer could go through in the future when interacting with Council services. Whilst many of the improvements they suggest are likely to be introduced as part of Digital by Design, they are not at this stage specific requirements for the Programme. There are journeys included that represent both digital and assisted digital scenarios to make sure that the needs of all customers are catered for.

#### Enabling our approach to growth and reform,

- 5.4. The customer benefits outlined above fit closely with the way our Investing in Stockport programme suggests the Council will operate in the future. The Council and its Partners will seek to ensure that people remain as independent as possible and can access information and services with the minimum of input, drawing on support from friends and family where appropriate. This is in order that valuable resources can be targeted on those activities that contribute to achieving our shared outcomes. As a result, many of the measures included in the Executive's proposal also enable the Council and its Partners to successfully reform services to operate within reduced budgets. Improving the Council's digital platform and offer should provide both the means to achieve a reduction in the demands made by customers and the mechanism to drive further efficiencies through, for example greater automation and self-service.
- 5.5. In developing our approach, a series of detailed discussions were held with officers responsible for designing and delivering the new service models required by IIS. These focused primarily on key IIS projects that collectively represent our most significant service delivery reforms; secondary analysis was undertaken on other IIS projects. These discussions show where investment in new digital capability is

required to deliver services that can meet agreed budget reductions whilst ensuring the Council contributes to delivering key outcomes.

5.6. These IIS digital requirements are set out in summary form in Appendix 2. They show that our proposed investment in Digital makes an essential contribution to meeting, through the Investing in Stockport programme, the Council's budget reduction requirements over the Medium Term. The table below sets out a number of examples from Appendix 2, highlighting some of the instances in which the actions and changes needed to meet the agreed budget reductions over the next two years are dependent on investment in digital.

<b>IIS Project</b>	<b>Budget Reduction 2015/17</b>	<b>Key Identified Digital Enablers – Digital requirements set by IIS Project leads</b>
<b>Health and Social Care (Proactive Care, Stockport Together)</b>	£14m	<ul style="list-style-type: none"> <li>• New online content management system needed to improve delivery of Care Act; Targeted Prevention; and Information, Advice and Guidance offer</li> <li>• Portal required to support self-care solutions, such as Care Account</li> <li>• Mobile working solution to support locality teams</li> <li>• Improvements to enable access to integrated / aligned systems between Council and NHS</li> <li>• Master Data Management solution to support development of a shared care record</li> <li>• Responsive and predictive analytics capability to monitor demand and deflection through dashboards</li> <li>• Assisted Digital offer for key service user groups</li> </ul>
<b>Service redesigns. E.g. Libraries, Community Safety, New Model for Regulation, Information, advice and guidance.</b>	£5.05m	<ul style="list-style-type: none"> <li>• Improved connections and interaction with community social networks, to help people help each other</li> <li>• System integrations and infrastructure improvements to support multi-agency locality teams</li> <li>• Customer Insight and other data used to inform community conversations to inform services planning and delivery</li> <li>• New Assisted Digital offer such as floorwalkers and self-serve kiosks in key access points</li> <li>• Improved Customer Relationship Management (CRM) and consolidation of customer contact into Contact Centre, including web chat</li> <li>• New online content management system to underpin improved Information, Advice and Guidance offer</li> <li>• Self-service and self-assessment through an online Portal, linking directly to transactions and case tracking (to provide service user updates)</li> <li>• System integrations and infrastructure improvements to support multi-agency locality</li> </ul>

		<p>teams</p> <ul style="list-style-type: none"> <li>• Master Data Management, in support of joined up view of customer</li> </ul>
<p><b>Integrated Prevention and Safeguarding Children and Family Services (Stockport Family)</b></p>	<p>£5m</p>	<ul style="list-style-type: none"> <li>• New online content management system needed to improve delivery of Targeted Prevention and Information, Advice and Guidance offer</li> <li>• Digital Front door for Multi-Agency Safeguarding and Support Hub, accessible through portal</li> <li>• Improved connections and interaction with community social networks, to help people help each other</li> <li>• Mobile working solution to support locality teams</li> <li>• Improvements to enable access to integrated / aligned systems between Council and NHS</li> <li>• Master Data Management solution to support development of a shared care record</li> <li>• Responsive and predictive analytics capability to monitor demand and deflection through dashboards</li> <li>• Assisted Digital offer for key service users groups</li> <li>• System integrations and infrastructure improvements to support multi-agency locality teams</li> </ul>
<p><b>CSS</b></p>	<p>£3m</p>	<ul style="list-style-type: none"> <li>• New online content management system helping deliver an enhanced internal intranet service</li> <li>• Integrated online transactional forms for Internal and External customers to reduce manual intervention</li> <li>• Mobile working solutions to support local delivery of Corporate and Support Services</li> <li>• Responsive and predictive analytics capability to monitor demand through dashboards</li> <li>• New Document Management System to underpin process automation and Digital Mailroom</li> </ul>

5.7. Members will notice that a recurring requirement being set by the new IIS delivery models is for Council teams to be able to operate in new integrated, multi-agency teams, including with our partners. This requires an investment both in opening-up and integrating our technology with partners, and in ensuring appropriate information governance and data management issues can be worked through. The single biggest challenge we currently face in this consideration is in the integration of health and social care.

5.8. The Digital by Design programme will also enable us to make improvements that contribute to our Investing in Growth agenda. For example, businesses in the Borough will benefit, through the online portal, from improved opportunities to manage their business rates account; or to access regulatory services, including booking inspections or applying for licenses. Our proposed approach to targeting information and supporting community hubs could also be drawn on, for example to

promote peer-to-peer business support or improve the timelines and dissemination of destination marketing or events information.

- 5.9. The next update of the Council's Medium Term Financial Plan will illustrate the further budget reductions that will have to be made from 2017/18 onwards. It is likely that additional savings of between £40m-£50m will have to be identified by 2020/21. This will require the Council to adopt ever more innovative means of commissioning and delivering services and engaging with customers and communities. Having a flexible, responsive, cost effective, efficient and reliable platform for automating processes and for holding, accessing and utilising data, information and intelligence will be essential for the Council to identify and implement the most appropriate means of reducing expenditure while still achieving desired outcomes.

#### Improving our Digital capabilities as an organisation

- 5.10. Our third objective in developing this programme is to create a platform for further reform and efficiency to help meet the financial challenges of future years. The principal benefits of our proposed new capabilities to the Council's workforce and administration are:
- By targeting **information** in ways that reduce the time spent on customer contact and re-work in processes, staff will be able to focus on aspects of their work that directly improves outcomes;
  - Internal **social networks** will increasingly replace more traditional digital communications such as the intranet and email. This can make the Council's operation and culture more open and collaborative;
  - Significant investment in **mobile** technology will help maintain or improve productivity by reducing down-time and improving the targeting and responsiveness of services by putting more and better information closer to the front line;
  - The **customer portal** can be utilised for internal transactions and to improve the look, feel and scope of 'self-service' options within the Council, leading to efficiencies. Similar portals could potentially be developed for key stakeholders including partners and Elected Members;
  - Better linking together of **data** provides opportunities to improve decision making, for example by predicting future demand for services. This, in return, allows the organisation to prepare its response and invest, for example, in staff development or new system and processes;
  - Our internal **assistance** programme will help the workforce adapt to and adopt new Digital technologies, increasing the levels of confidence and skills in the organisation.
- 5.11. By releasing these benefits, the Digital by Design Programme will also make a significant contribution to addressing demand pressures on Corporate and Support Services that are being driven both by on-going service delivery and Investing in Stockport projects, in the context of the previous £6m spending reduction achieved in 2014/15 and the further £2m reduction to be delivered in 2016/17.

## **6. Our Approach**

- 6.1. Digital by Design will change how services are administered and delivered across the Council. Technical improvements will need to be supported by significant hands-on resource to plan for and implement changes to processes, policies and other ways of working. Operating at this scale across the Council and with Partners brings considerable challenges. The approach we take to organising and focusing the programme will therefore be critical to its success.
- 6.2. At the heart of our approach is a clear understanding that changing our working culture and behaviour to embrace digital solutions is more important than the technology itself. Without changing how we work we know we will be unable to see through the application of our new digital capabilities and will not deliver the benefits we seek. The changing of culture and behaviours is best done within services whilst they are operating so that changes take immediate effect under the leadership of those delivering the service.

#### New Digital Capabilities

- 6.3. At its core, the Digital by Design programme proposes investment in a range of improved technologies and associated resource to improve people (skills), processes and policies. Together, these investments create six new Digital capabilities. As outlined above, these capabilities lead to a series of benefits for residents, service users and the Council.
  - 6.3.1. **Targeted Information Provision** will provide quicker and easier access to information through the Council website, over the telephone, or by pushing information to customers, reducing the number of basic information requests received by the Council.
  - 6.3.2. **Community Hubs** will enable groups of people to come together to share information and resolve smaller issues without contacting the Council. This will include the use of existing platforms (e.g. Facebook, Twitter) and potentially the development of new ones.
  - 6.3.3. **Mobile** will ensure the new digital offer works across all devices. This might be through the development of Apps for processes or for certain customer or staff groups, and by ensuring all webpages and internal systems respond to the device used to access them.
  - 6.3.4. **A Customer Portal** will be based on customers' personal situation and preferences, and linked to other Council information systems. The portal will provide a single route into the Council's online services and provide information tailored around the individual's specific needs and requirements. It will link various back office systems and data sources to provide an easy-to-use one-stop shop for customers.
  - 6.3.5. **Data and Analytics** will ensure information is pooled from various parties and internally to create a joined-up view of a customer or an issue. This data will be used to inform strategic decisions, tailor services to meet customer demand, and predict service requests in advance by analysing past trends.
  - 6.3.6. **Assisted Digital** will empower customers to access more services digitally, whilst also providing a safety net for the more vulnerable. Assisted digital is support for people who cannot use online council services on their own.
- 6.4. Further information on these new Digital capabilities is set out at Appendix 3. Work has been undertaken to understand how capable we are currently in relation to each

area, and to identify where Council services might make use of them to deliver both their existing ways of working and the new models envisaged through IIS.

### Design Principles

- 6.5. In September we set out a number of digital design principles. These set the parameters for making choices around the future models for customer contact and service delivery:
- Customer-focused digital self-service is promoted and other channels are rationed in line with reducing demand. Support is provided so people know of and can use the digital channels
  - Residents can appropriately access the Council anytime, anywhere.
  - A 'safety net' is provided for residents facing potential digital exclusion
  - Knowledge, data and experience is shared between services and with partners to provide a joined up customer experience
  - We invest in the digital confidence and capability of our workforce
  - Customer experience and/or value for money is improved, and processes and policies are standardised and simplified to make digitisation effective
  - Customer insight is captured to understand expectations and needs and inform decision making
- 6.6. These principles have been tested and retained through the work to-date and provide a high-level specification for the Programme as a whole.

### Programme Management approach

- 6.7. Getting the right approach to managing a programme of this scale is critical to its success. We intend to invest in the leadership of the work for the length of the delivery phases, as well as programme and project management capacity and procurement, business analysis and communications and training expertise, to transform both our technical capabilities and how teams in the Council use these capabilities. To do this we intend to establish a Digital by Design Programme Office within the remit of the current Investing in Stockport Programme Office.
- 6.8. This Programme Office will manage both internal capacity from across the Council and access external resources from preferred suppliers. Our approach will require us to employ new skills and methodologies and we are committed to ensuring that our existing workforce benefits from opportunities presented by the Programme and develops inherent capability to keep up to date with digital changes as they happen in the future.
- 6.9. Members will want to understand a key proposed difference in the management of the Digital by Design programme, in relation both to how new technical capabilities are developed and how services adopt and implement these. Traditionally, ICT projects take a 'waterfall' approach to specifying and building new capabilities, as shown at Fig.1. In recent years, learning from experience in other industries, some council have begun to adopt more of an 'agile' approach, as suggested in Fig.2.

### Fig.1 – Traditional 'waterfall' approach

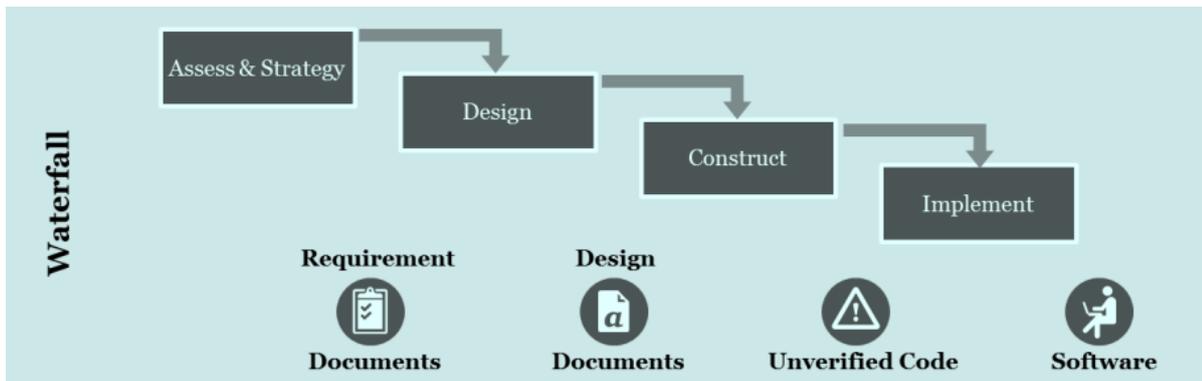
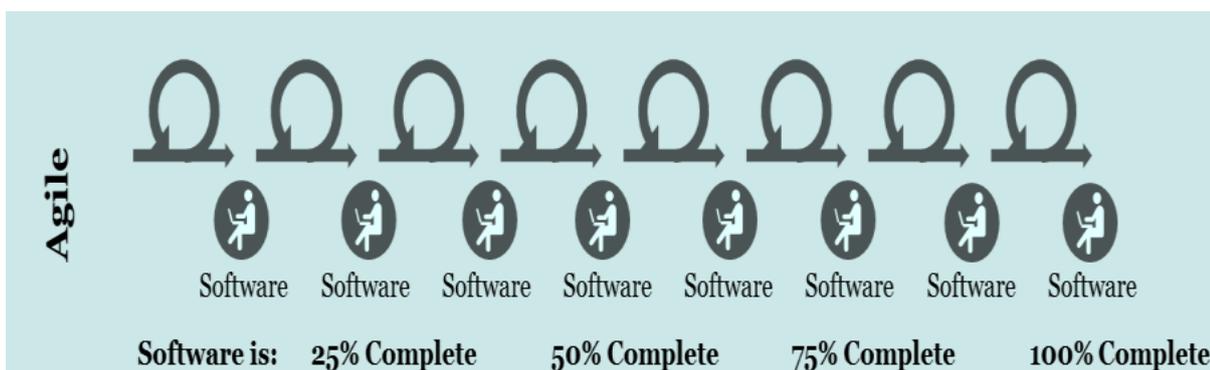


Fig.2 – ‘agile’ approach



6.10. Whereas, in the traditional approach, deadlines in the programme are delayed until a given stage is fully complete, an agile approach fixes deadlines and ‘releases’ the best available product to those that will use it. Then, in consultation with users, that product is refined until it meets the required specification. Products are released early (in their ‘minimum viable’ form) in order to learn about how they *actually* work, and how people *actually* use them, rather than assume that those commissioning the new product can accurately predict these things.

6.11. The agile development approach is not suited to all aspects of Digital by Design, such as improvements to key parts of the Council’s technical architecture. Crucially though, an agile approach to developing new capabilities such as Targeted Information Provision and the Customer Portal, propose a markedly different engagement with residents and service users than has previously been the case. Rather than ‘launching’ finished products that have fixed usages, the Digital by Design Programme will engage in an on-going conversation about what can be improved and will issue these improvements across a number of different service areas and new Digital capabilities at appropriate phases of the Programme.

Technical components

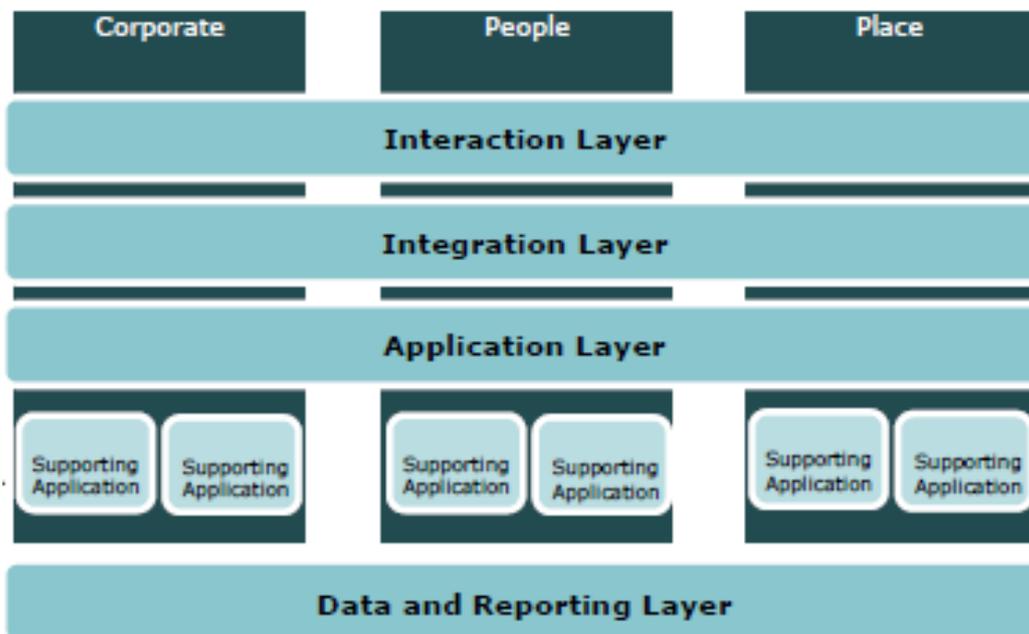
6.12. The Council’s technical systems and databases are built around internal departments, reflecting how Information Technology has traditionally been funded, procured and managed. Whilst, in one regard, this approach has provided a secure and functioning platform for the organisation, and one that will be built upon by the in the coming years, the incremental approach to development has resulted in a complex technical architecture that is difficult to support, can be inflexible, and militates against joining-up information and introducing Digital transaction processes,

such as e-forms. Multiple points of interaction also mean customer information is stored in many systems, creating an inconsistent customer experience and making it difficult to produce a joined-up view of our customers.

6.13. Much of the investment proposed in the Digital by Design programme would go to joining-up this ‘legacy’ software. As shown at Fig.3 below, this joining-up must done a different levels within the IT setup, for example:

- At the **interaction layer**, significantly more customer contact must be routed through a new records management system, and a new system for managing the content on the website will be needed to ensure it easier to access information and perform transactions within the customer portal.
- At the **integration layer**, new architecture and software is needed to ensure existing information system can communicate with each other without the need for lengthy, costly, bespoke connections to be created. These ‘two-way’ integrations support the transactional processes we know customers and our staff want to perform.
- The **application layer** is where much of the Council’s ‘business’ is conducted. This needs to be accessible via mobile devices, based on systems that can interact with each other, and where possible systems should be rationalised.
- At the **reporting layer** investment is required to improve how data is captured, stored, managed, reported and analysed, in order to support staff and customers to understand current and potential future trends in our performance and use of resources.

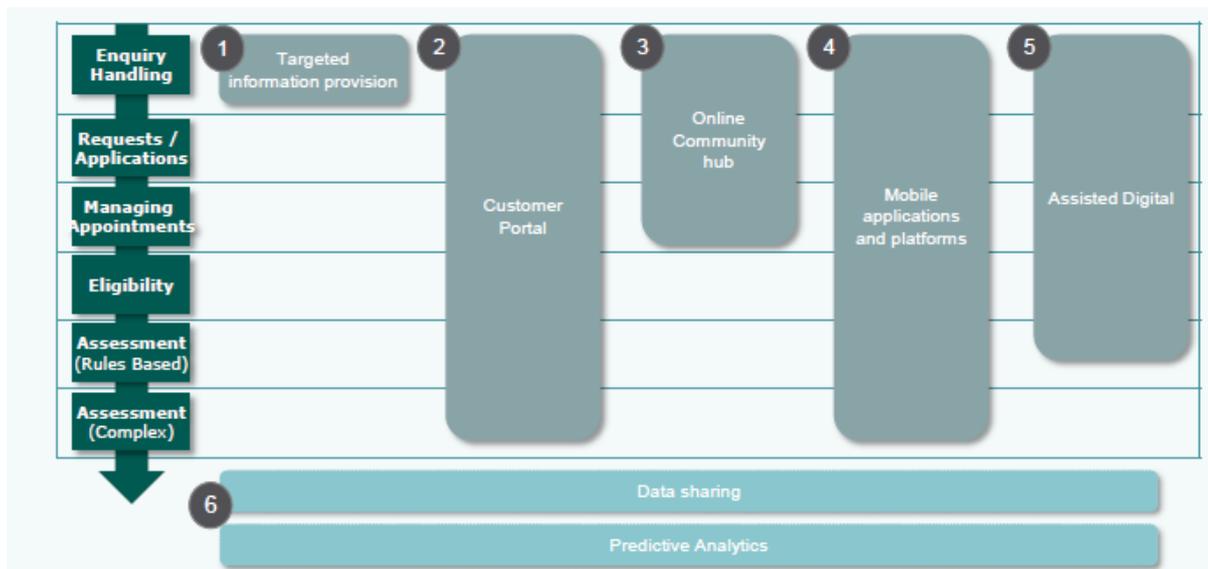
Fig.3 – How we propose our technical architecture should look in the future



6.14. Crucially, investment in each of these layers is required at the same time in order to create the new Digital capabilities and the associated benefits outlined in this report. Fig 4. below shows how each of the six new capabilities draws on key processes that are facilitated by the different layers. This is central to the Executive’s proposal to

invest in Digital transformation through a coordinated programme at scale, rather than in separate technical improvements that deliver more limited benefits.

Fig.4 – How the new Digital capabilities draw on improved processes



6.15. Specifically, the core technical components of the proposed investment, in addition to appropriate programme management, technical implementation management and service re-design resource, are set out below. Information on the expected costs of acquiring and implementing these across the breadth of the Programme are set out at Appendix 4. As above, it should be noted that the new digital capabilities set out above, and hence also the benefits described in this report, rely on these technical components working together to create a new digital platform for the organisation. The core components are:

- Customer Portal - A single route into the Council's online services and information tailored around individual's specific needs and requirements.
- Customer Relationship Management System - Allows for all customer interactions to pass through a single solution providing a joined up view of customer contacts. Used to handle work following customer contacts.
- Systems Integration - Necessary to allow multiple case management and business systems to share information with each other.
- Master Data Management - Provides a single customer record from multiple systems by managing duplicates and inconsistencies in data and format.
- Document Management System - Electronic storage and access to documents/ records.
- Data Warehouse - Aggregates data from multiple sources to enable Council wide business intelligence and reporting.
- Federation/Security - Facilitates secure customer portal accounts and sharing information on partner networks, such as with the NHS.
- Mobile - Provision of tablets and laptops for mobile workers.

## Procurement Approach

6.16 The procurement strategy for the Digital by Design Programme will promote innovation and social value, to get the most from our investment. One of the ways this could be achieved is through the use of open source solutions. There will be a level-playing field for open source software when technology choices are made, with selections based on agreed criteria including quality and full lifetime costs, ensuring we incorporate Open Source software into the new digital platform where appropriate.

## **7. EXECUTIVE COUNCILLOR'S PROPOSAL**

### Investment approach

7.1. Clearly, a Programme of this scope and scale requires investment. Detailed cost projections have been prepared by officers, informed by external advice from Price Waterhouse Coopers. A number of assumptions are built into these cost models that are subject to variation depending on a range of factors that will be informed through the agile approach set out above. These are:

- The blend of internal and external resources used
- The complexity, in practice, of system integrations and associated service redesigns
- The scope and phasing of the programme (which systems and services are incorporated into the new Digital operating model in the 2015/17 period)
- The quality of technical solutions acquired and of the design of the user interface

7.2. A full exploration of these matters will be set out alongside the detailed funding proposal submitted to the Executive and appropriate programme contingencies and controls put in place to monitor and manage the risks associated. Should members wish to advise that Programme costs be varied or reduced, most options will stem from varying the scope of the Programme or the pace at which it is implemented, rather than by varying significantly the implementation approach (including the approach to resourcing) or the specification of the technical solutions. In short, a lesser investment would directly reduce the breadth and depths of the benefits set out in this report and not deliver the full planned impact.

7.3. A key element of the Executive's proposal is that funding provision be made across the Digital by Design programme, rather than be disaggregated across different technical aspects or phases of the work. Of course, measures must be taken to ensure the programme delivers within the overall agreed funding envelope, and these measures should be the subject of appropriate audit and scrutiny. This is in keeping with the approach taken with other major projects. As well as aiding the necessary pace of delivery, this approach acknowledges that the benefits outlined in this report can only be delivered as a set, and that we must make provision to deliver the whole package of improvements in order to unlock the value of each independent part. In this way, the Executive is investing in the delivery of key benefits for residents, service users and staff, and it is against the timely delivery of these

benefits that value for money and the overall success of the programme must be judged.

- 7.4. Investment at this scale needs to yield the maximum value for Stockport. With this in mind we will ask officers, whilst taking an appropriate approach to procurement, to ensure every opportunity is taken both to support local and regional businesses and to ensure opportunities are maximised to improve skills and competencies across the Council's workforce in ways that lead to a tangible and lasting improvement in our Digital capability as an organisation.

#### Estimated Costs and Funding

- 7.5. Based on the investment approach outlined above the additional one-off cost of implementing the Digital by Design programme over the next two years is estimated at £7.434m, as follows:

Fig.5 – Additional funding requirement.

<b>Type of Spend</b>	<b>Additional Investment (£000)</b>
Business Implementation	1,624
Programme Management	916
IT Technical	3,844
Equipment and Licences	1,050
<b>TOTAL</b>	<b>7,434,</b>

- 7.6. It is anticipated that the programme will also require a significant input from existing staffing resources in relation to business implementation, project management and ICT technical support. The estimated value of this requirement is around £0.915m which will be contained within current budgets. Further to the headline break-down above, and acknowledging the importance of Programme integrity set out at paragraph 7.3, Appendix 4 sets out how this additional funding requirement breaks down into one-off and recurring costs across key technical components. These costs provide both for purchasing solutions and implementing them to the significant scope currently identified for the Programme. Members will note that this investment allows the Council to meet the digital requirements of new operating models set out in the IIS programme (which in turn are the means by which the Council can meet the £38m budget reduction requirement in 2015/17) and is also the basis on which the Council can further reduce expenditure while still achieving desired outcomes in the following years, in the context of the £40m-£50m further budget reductions that are likely to have to be identified by 2020/21.
- 7.7. In addition to making an essential contribution to wider Council reforms, as set out earlier in the report, there will be opportunities to align both existing staff and non-staff resources to the work, and to re-purpose and re-commission current spending and assets as indicated above. In this way, and in addition to the benefits outlined in this report that will support and enable the required reductions in the Council budget over the medium-term, it is estimated that the Digital by Design programme will enable a net reduction of around £0.75m-£1m in the Council's existing annual ICT staff and non-staff spend of some £11.3m. It must be emphasised, however, that there will need to be significant changes across the Council in the way in which IT

assets and resources are allocated, procured, managed and used to realise this level of savings. A much more co-ordinated and controlled approach should be taken, with strict prioritisation criteria used to determine how much is spent and on what.

- 7.8. We also plan to integrate the allocation of Transformation Challenge Award Grant to Stockport (£0.419m), as part of a successful bid by the Greater Manchester Combined Authority, as part of our investment to deliver the programme.
- 7.9. The primary source of funding, as we outlined in the Executive report in August 2014, will be the reserve we have established to support the Investing in Stockport programme. In line with our stated intention at that time, the Executive is minded to make a significant investment from this reserve in additional resources and technology to drive forward our approach to digital. The Executive will make the final decision on how the programme is to be funded when it has received the MTFP update mentioned earlier; this will include taking a view of the resources available in reserves and the competing calls that might be made on such funds from elsewhere in the IIS programme. To the extent that the cost of the Digital initiatives cannot be met from reserves then the Executive will consider and assess other sources of funding including prudential borrowing. Given that this investment will facilitate and enable the achievement of budget/cost reductions over the next MTFP period, and improvements to customer outcomes, it is entirely appropriate that the IIS reserve is utilised to provide the bulk if not all of the required funds.

#### Implementation

- 7.10. A number of low-cost improvements have already been initiated or implemented alongside this work, and others could be delivered, over-time, from our existing resources. However, the investment outlined above affords an opportunity to significantly increase the scale and pace of implementation to a level that can more appropriately support our ambitious plans for growth and reform.
- 7.11. As suggested above, our intention is to develop our new Digital capabilities in initial forms, building on the best existing parts of our technical infrastructure. Alongside these technical changes, services and teams will be supported to modernise how they work and to be brought onto the technical platforms created. This process will involve hands-on professional 'business transformation' support in areas of business process analysis and redesign; workforce development and training; internal and external communications; and project and change management. Only when both the technical and business transformations are complete will a new capability be 'released' publically and to our workforce. It is proposed to bring these releases in a number of phases across the two years 2015/16 and 2016/17, with a clear forward plan to allow Members, the public and our workforce to understand what improvements will be delivered by when. In line with the agile approach proposed above, we will seek to improve each of our new Digital capabilities by listening to those that use it (or, in many cases, choose not to).
- 7.12. It is recommended that a detailed implementation plan for each of the phases of the programme be brought to this scrutiny committee for consideration should the proposals made in this report be agreed.

## **8. RECOMMENDATION**

- 8.1. The Executive is recommended to discuss and approve the proposal.
- 8.2. The Executive is asked to make appropriate provision for the required financial investment.