

North Lanarkshire Council

Report

Policy and Strategy Committee

approval noting

Ref MO/KH/RS

Date 01/03/2019

Detailed Design: DigitalNL Transformation Programme

From Robert Steenson, Executive Director (Enterprise and Communities)

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Executive Summary

To deliver on the approved ambition where North Lanarkshire is **the** place to Live, Learn, Work, Invest and Visit, the council needs to make significant and meaningful change to the way it delivers services, connects communities and enables businesses.

With service users and employees having an increasing expectation around online, agile and flexible ways to engage and work with the council, the former Transformation Sub-Committee (October 2017) considered a report that illustrated how the DigitalNL Transformation Programme could assist North Lanarkshire to realise its place-based transformation, with authority to undertake further detailed design subsequently approved.

Having finalised the detailed design stage, this report highlights that transformation must be about more than changing ways of working. For the council to turn its Digital Vision and The Plan for North Lanarkshire into reality, we must take a whole place approach regarding the current and future potential of our employees, communities, businesses and partners. This will require significant changes to our operational and customer-facing infrastructure, IT services and culture. This report provides an overview regarding such transformation and illustrates the indicative five-year investment required to turn the council's ambition into a reality.

In recognising the DigitalNL Programme presents a significant opportunity for the council to use technological advancement such as ultra-fast broadband, artificial intelligence and next generation smart devices to redesign services around the needs of our communities and businesses, this report proposes we take forward the following complementary and interdependent projects:

1. Digital Economy and Place – stimulating economic growth through digital investment
2. Digital Council Transformation – establishing NL as a smart digital council

Through these programmes, we will embrace technological innovation and enable new ways to deliver services at an optimal cost base, with approaches designed around outcomes for business and community, rather than our internal structures, processes or closed technological infrastructures. When combined with activities underway through our Economic Regeneration Delivery Plan, these projects can facilitate North Lanarkshire becoming **the** place to Live, Learn, Work, Invest and Visit.

Recommendations

It is recommended the Policy and Strategy Committee:

1. Note the contents of this report and accompanying Appendices;
2. Approve the mobilisation of a specialist team to implement North Lanarkshire's digital transformation;
3. Approve the indicative 5 year investment for the digital transformation programme as detailed within this report, and

4. Note that financial benefits realisable will be confirmed on an iterative basis as functions redesign services to meet customer needs and deliver The Plan for North Lanarkshire.

Supporting Documents

The Plan for North Lanarkshire	This programme of work impacts all Services and council priorities, and presents a huge opportunity to enable North Lanarkshire to develop as <u>the</u> place to Live, Learn, Work, Invest and Visit.
Appendix 1	Digital Economy and Place Projects
Appendix 2	Service Design Principles
Appendix 3	Stakeholder Engagement Summary
Appendix 4	Benefits to Stakeholders
Appendix 5	Illustrative Year One Work-package
Appendix 6	Cost / FTE Impact Breakdown
Appendix 7	Key Risk Assessment

1. Background

- 1.1 In December 2016 the council approved the Business Plan to 2020 and the associated programme of work which was required to deliver on its five key priorities. In September 2018, the former Policy & Resources Committee approved the **We Aspire** place-based ambition, and acknowledged a need for the council and its partners, businesses and communities to embrace technology and integrated solutions when addressing challenges and designing and consuming services.
 - 1.2 On 28 February 2019, the Policy and Strategy Committee considered a progress report in respect of The Plan for North Lanarkshire. The final Plan and supporting Programmes of Work required to deliver this shared ambition are outlined separately on today's agenda. Digital transformation and the DigitalNL programme are key components of those Programmes of Work.
 - 1.3 **We ASPIRE** aims to promote and invest in activities that deliver on the principles of Live, Learn, Work, Invest and Visit. Through the DigitalNL aspects of this ambition, the council has an opportunity to become a leading digital authority in Scotland, and to redesign service delivery to adapt to and mitigate against the impact of rising service demand and decreasing resources.
 - 1.4 The DigitalNL Programme was initially considered by the former Transformation Sub-Committee in October 2017, with officers instructed to undertake further detailed design to identify the resources necessary to deliver the Digital Vision for North Lanarkshire approved at that meeting.
 - 1.5 This report satisfies that requirement. It sets out the Digital ambition for the council, outlines proposals to transform the way North Lanarkshire engages with its employees, businesses, communities and partners, and the indicative investment which will be required to realise transformational benefits and our ambition to become **the** place to Live, Learn, Work, Invest and Visit. To assist Members in making a fully informed decision regarding these DigitalNL implementation proposals, the detailed design compares the full digital transformation option with a 'do nothing' scenario.
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2. Report

- 2.1. Following in principle approval of the DigitalNL Outline Business Case in October 2017, the DigitalNL programme team has worked with the council's Digital Business Partner (PwC) to complete a Detailed Design. Although the Outline Business Case focussed largely on transforming existing service delivery to help meet service demand and mitigate financial challenges, the Detailed Design references **We Aspire** and highlights how Digital investment will enable the council to drive inclusive growth and mitigate against some of the key economic challenges facing North Lanarkshire's residents and businesses.
- 2.2. Having compared 'do nothing' and full digitisation options, this report proposes North Lanarkshire Council embark on a council-wide digital transformation programme via two complementary and interdependent programmes:
 - Digital Economy and Place (SmartNL) – stimulating economic growth through digital investment; and,
 - Digital Council Transformation (DigitalNL) – establishing NL as a smart digital council

Digital Economy and Place Programme (SmartNL)

- 2.3. Despite business growth exceeding the Scottish average, North Lanarkshire lags behind in respect of the number of enterprises per 1000 head of population. In combining this with low levels of educational attainment, higher level of income deprivation, health deprivation, decrease in the working age population and projected increase in the numbers of elderly residents requiring support, it is clear North Lanarkshire Council operates within the context of a challenging economy.
- 2.4. The council already has a wide range of existing economic and physical regeneration activity underway, and the developing Economic Regeneration Delivery Plan (ERDP) contained within the Programme of Work will enhance this by focussing on four key inter-connected themes: Housing Regeneration/Re-provisioning; Town Centre Regeneration; Business and Industry; and Infrastructure development.
- 2.5. UK Government research illustrates Digital investment can positively impact a challenging economy, with the following benefits considered representative of what could be realised:
- ✓ the economic impact of public sector investment in broadband is a £20 net positive economic benefit over a 10-year period for every £1 spent;
 - ✓ investment in world class broadband could lead to a £6bn uplift in GVA to the UK;
 - ✓ net employment impacts of faster broadband availability rise to 56,000 by 2024, with 20,000 attributable to publicly funded interventions;
 - ✓ provides essential underlying infrastructure and a platform for digital innovation and skills; and
 - ✓ promotes service innovation and enables access to the global market place
- Source - UK Broadband Impact Study Impact Report November 2013*
- 2.6. Building on the UK Government research, the SmartNL programme envisages Digital investment could help to overcome some of the inherent features of North Lanarkshire's economy, and brief details of opportunities to align DigitalNL with the developing ERDP aims are presented in table 1 below.

ERDP Priority	Digital Investment
<ul style="list-style-type: none"> • To increase economic output / GVA 	<ul style="list-style-type: none"> • Support adoption of digital working practices in key industries (including construction and administration and support services), to offset reduction in GVA from shrinking manufacturing
<ul style="list-style-type: none"> • To increase business start-ups and survivability • To increase business growth and employment 	<ul style="list-style-type: none"> • Help micro and SME business to access digital infrastructure, mobility and logistics (AWS, Google, Azure) to help stimulate adoption of new business models (e.g. Uber, Netflix, Arbnb, Deliveroo, etc.) and to enable access to global markets and growth opportunities. Some of these business models may be particularly relevant to the Health and Social Care market. • Provide access to digital hubs/centres that provide affordable connectivity for small businesses. It also provides the opportunity for collaboration and peer learning which stimulate endogenous growth. • Provide access to data to stimulate entrepreneurship and innovation (e.g. the Zoopla model, Just Eat, etc.) • Incorporate connectivity requirements into all commercial and housing development plans
<ul style="list-style-type: none"> • To improve economic outcomes for local people, and in particular those who are most disadvantaged 	<ul style="list-style-type: none"> • Digital skills and capability aimed at improving the opportunities for local people • Affordable connectivity for those in rural and poorly connected areas, and those who cannot afford commercial offerings

	<ul style="list-style-type: none"> • Access to education through the use of virtual training, online classrooms, etc.
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Table 1 – Potential Economic Benefits of Digital Investment

2.7 To assist in taking these opportunities forward, and facilitate North Lanarkshire being **the** place to Live, Learn, Work, Invest and Visit, a Digital Economy and Place Working Group has identified a range of initiatives capable of delivering against three key strategic objectives. These are illustrated briefly below, with further details available within Appendix 1:

Smart People, Health & Education

- Eliminating areas of low connectivity, increasing access to education, and training. Tackling inequalities and exclusion.

Smart Economy and Digital Jobs

- Creating an environment that fosters innovation and makes new digital markets and delivery models possible. Pulling down structural barriers to growth.

Smart Living/Working

- Providing the underlying infrastructure to support people living and working in a Smart and Digital way.

2.8 Appendix 1 illustrates the first priority for the Digital Economy and Place programme is to develop a project to deliver a world class digital infrastructure which provides the underlying and affordable connectivity required to drive the necessary economic growth and tackle potential areas of digital exclusion. Achieving this desired digital connectivity will also pave the way for the council to develop a SMART Region strategy.

2.9 SMART region strategies pave the way for digital inclusion, as they can catalyst communities to become more sustainable, with communities of all sizes having opportunity to collaborate, procure, set innovation agendas, share know how and create economies of scale. This can ultimately deliver benefits within the North Lanarkshire economy with new skills, capabilities, market opportunities, fresh delivery models and increased connectivity all capable of being achieved.

Digital Council Transformation Programme (DigitalNL)

2.10 In providing approval in principle to the Outline Business Case in October 2017, members acknowledged digitisation provides a great opportunity to radically transform existing service delivery and, through shifting the way people interact with us, could help to address the significant financial challenges which are referenced within our long-term financial plan.

2.11 It was anticipated at the Outline Base Case stage that existing challenges such as multiple systems/access points, heavily paper-based processes and limited access to mobile and self-service technology could be overcome by undergoing a digital transformation. It was therefore essential to test these high-level theories with individual council services as part of a Detailed Service Design and Solution Design process, and to compare those findings against the ‘do nothing’ scenario.

Service Design

2.12 Using the Service Design principles agreed with the DigitalNL Delivery Board and outlined in Appendix 2, the DigitalNL programme team used extensive stakeholder engagement to robustly identify improvement opportunities likely to be available through service digitisation. Appendix 3 details the service engagement undertaken covered the majority of council functions, with the exception of smaller functional areas and schools based staff. As part of the implementation stage, however, all council areas will undertake Target Operating and Organisational Design work to determine the service models best placed to meet customer needs and expectations.

2.13 Following completion of this extensive service engagement, the DigitalNL team and Digital Business Partner developed a detailed Service Design Blueprint. This 'blueprint' documents the current 'as-is' state of services, how they can be improved and what the future-state services could look like. It also illustrates the benefits that can be realised if the council fundamentally changes the way it operates. The detailed design recognises that in order to be successful, service and organisational change will need to be iterative and collaborative, with all functions engaging with key stakeholders to ensure revised service models meet the needs of customers, businesses and residents. This process will form part of the Target Operating Model Design, and will be developed, as appropriate, during Year One of a phased DigitalNL implementation programme.

Solution Design

2.14 The DigitalNL team assessed 66 existing ICT systems through 30+ face to face interviews with ICT, business system owners and operators of systems. This assessment identified:

- **Systems are complex.** Multiple legacy systems are used with the majority heavily customised to meet niche or specific needs. System functionality is duplicated across many systems.
- **Processes are manually intensive and inefficient.** Despite the significant level of system customisation, many service areas use manual workarounds or processes to compensate for perceived business system shortcomings. These are often poorly documented or unsustainable.
- **Data is not well used to inform decision making.** North Lanarkshire is data rich, but information poor. Many systems have restrictive access to data which prohibits sharing to support business needs. No real use of business intelligence is made.
- **Tactical approach to governance.** Applications have been procured over time in a non-strategic manner with the ICT function thereafter expected to support. Many layers of approval currently exist, but there is little or no time available for innovation or options analysis.

2.15 In determining actions needed to digitise council services, the DigitalNL team developed a Solution Design Blueprint to articulate existing systems/applications/technology components which could be retained, those which needed to be replaced, and those which needed to be procured due to current unavailability/capability within NLC.

2.16 Running parallel to this, the DigitalNL team conducted a 'cloud readiness assessment' to demonstrate the capacity of the organisation to adopt a 'cloud first' strategy and significantly reduce the level of technology hosted and maintained within council premises.

2.17 Taken together, these assessments highlight the ICT investment which is required, and the technology which must be procured and implemented for the council to embrace full digitisation and move to the indicative but desired new ways of working.

2.18 To satisfy good practice, the detailed business case must demonstrate the full digitisation option has capacity to deliver longer-term value to the council. To this end, two options were considered in detail:

- ❖ **Option 1: Do nothing** – do not implement the Service and Solution Design Changes
- ❖ **Option 2: Full Digitisation** – fully implement the Service and Solution Design Changes

2.19 Whilst option 1 would be less disruptive for staff and customers, it would also see continuation of the challenging aspects outlined in paragraph 2.14 above, and would hinder the council's

ability to fully explore the proposed community campus model envisaged within **We Aspire**. To this end, option 2 was identified as the preferred option, and the target state ICT architecture, technology investment areas, estimated costs and indicative implementation timescales associated with this full digitisation option form the basis of the financial information contained in section 4 below.

Full Business Case

- 2.20 The Full Business Case completed for DigitalNL highlights option 2 represents a huge opportunity for the council to radically transform the way we engage with our customers, residents, partners and businesses to achieve both non-financial and financial benefits.
- 2.21 Engagement with services, Scottish Government Digital Office, Digital North Lanarkshire and North Lanarkshire Tenant Forums undertaken as part of this detailed design highlights stakeholders can benefit from digitised council activity. Appendix 4 summarises these key benefits, with some additional detail regarding each of the key stakeholder groups also outlined in table 2 below:

Employees	The Council
<ul style="list-style-type: none"> • Improved staff experience through more efficient processes, improved skills, training and working practices, enabled by modern technology that means staff can work anywhere effectively • More efficient processes means staff will have more time to focus on value adding activities that make a real difference to people with the highest needs in our communities • Modern systems will make it easier for staff to share knowledge, learn new skills and develop their careers • More collaborative ways of working enabled through technology and culture change 	<ul style="list-style-type: none"> • More agile and better able to respond to change; streamlined end to end processes supported by up to date technology making the council more adaptable • More efficient through improved processes and knowledge sharing • Better demand management, through channel shifting and using insight to match capacity to demand and reduce strain on services
Residents	Elected Members
<ul style="list-style-type: none"> • Choice through being able to access services digitally when they want • Proactive and helpful communication about service status that keeps residents informed about the status of their enquiries • Empowered communities by increasing digital participation and developing digital skills 	<ul style="list-style-type: none"> • Improved decision making support through easier access to information • More responsive to communities through easier access to service performance reports • More informed through valuable insight on community issues – allows for better support of local communities

Table 2 – Benefits to Stakeholders

- 2.22 The Financial Implications outlined in Section 4 below illustrates scope exists for the council to realise financial savings of around £20m over the next five years. Investment estimated at £28.8m will be required to achieve the benefits, with the programme presently predicted to break even in Year 4 of the phased implementation.
- 2.23 Achieving the ambitious Digital economy and Digital Council visions requires long-term investment in both technology and changed business processes. The introduction of such technology, new ways of working and system enhancements is considered complex and likely to require a blend of in-house skills and specialised resources, at least on an interim basis until knowledge transfers are complete. It is therefore proposed that the implementation and delivery stage of the DigitalNL transformation programme continue, as appropriate, to

be undertaken by an integrated team possessing the capacity and capability to undertake such work.

- 2.24 An illustrative programme of work, constructed using our Digital Business Partner experience of similar complex digital transformation programmes, for the first year of implementation is included within Appendix 5. This programme would be delivered through the integrated team with the aim of achieving :
- Early delivery of value or benefit to the council
 - Early opportunity to upskill and knowledge share with council staff to become self-sustaining
 - Establishment of foundational technology to be built upon in later phases (e.g., CRM, Cloud MVC).
- 2.25 Three interim work-packages were agreed at the DigitalNL Delivery Board in respect of Interim Support, Procurement Services and Productivity Suite Planning (e.g. MS O365). These are scheduled to complete in March 2019.
- 2.26 In the event of Committee approving the proposed recommendations, the council would look to move quickly to procure three critical technology components. All procurements will align with the DigitalNL Procurement Strategy, with further details included, as appropriate, in future reports to the Transformation and Digitalisation Committee
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3 Equality and Diversity

3.1 Fairer Scotland

There are no requirements for an assessment under the Fairer Scotland duty arising from this report, however, members should be assured that The Fairer Scotland assessment process will be undertaken as appropriate when designing services for customers, businesses and residents.

3.2 Equality Impact Assessment

Specific equality impact assessments will be undertaken by council services as appropriate when developing the phased implementation programme.

4 Implications

4.1 Financial Impact

One-off Investment

- 4.1.1 The Outline Business Case highlighted that the digitising council services (DigitalNL) programme would require investment of circa. £18.7m. As outlined in paragraph 2.11 above however, a key purpose of the Full Business Case was to assess the robustness of these high-level estimates against the council's 'as is' position.
- 4.1.2 Having undertaken in-depth Service Design, Solution Design and Cloud Readiness assessments as part of this detailed design phase, it is clear that the extent of IT system and architecture in need of modernisation is significantly greater than was initially anticipated. The council presently has limited effective automation or integration, with sizeable amounts of inconsistent, siloed, duplicated and paper-based processes and data to be overcome if we are to truly deliver digitised services and positive user experiences to our residents, businesses and partners.

- 4.1.3 Fully reflecting the extent of change needed to our 'as is' operations increased the level of investment likely to be required, with Appendix 6(a) illustrating one-off sums estimated at £28.8m may be likely over the five-year period. Key factors contributing to this growth in investment are an increased requirement for specialist "integrator" resources, incorporation of a sizeable O365 implementation programme and additional costs for emerging innovative technology - such as IoT and cloud based infrastructure – to support the Digital Economy and Place work stream. Members should note however that further investment may still be required to fully develop and deliver the North Lanarkshire place-based transformation which is proposed within the Digital Economy and Place (SmartNL) programme.
- 4.1.4 The indicative Capital / Revenue investment, summarised in Appendix 6(b), shows sums of £13.5m and £15.3m require to be proportionally funded from the three main funding sources of Housing Revenue Account (HRA), Integrated Joint Board (IJB) and the General Fund (GF) for capital and revenue respectively.
- 4.1.5 The Full Business Case also assumes that VRS will form an element of transformation, with sums of around £20m currently included and anticipated to be funded from the combination of HRA, IJB and General Fund sources.

Financial Benefits

- 4.1.6 Whilst non-financial benefits are the key driver of the DigitalNL programme, the Outline Business Case indicated implementing digital solutions could also be of financial benefit to the council.
- 4.1.7 Using the extensive qualitative and quantitative data gathered through the Service Design and stakeholder engagement workshops, and our Digital Business Partner experience of similar transformations, radically altering the way council functions interact with residents and businesses appears to generate opportunities to realise cumulative savings of around £20m over the 5 year programme. Members will wish to note however that the actual savings and associated FTE impact can only be confirmed once a detailed service redesign of council functions, aligned to The Plan and the supporting Programmes of Work, is completed.
- 4.1.8 Appendix 6(c) illustrates the 'future state' digital solution may produce total recurring costs of £13.4m. In considering this against the estimated savings of £20m over the 5 year period, the DigitalNL business case illustrates that, subject to decisions made during individual service redesign, opportunities to generate future financial benefit for the council appear to exist.
- 4.1.9 Financial Solutions were involved in finalisation of the report and will continue to support the implementation programme to ensure that the requirements for one-off investment and the impact and phasing of savings delivery is fully assessed and understood. All financial impacts will be considered as part of the council's future short and longer-term financial planning assumptions.
- 4.1.10 Internal Audit recently finalised a high-level review of the governance arrangements supporting the production of the final DigitalNL business case. Their findings demonstrate broad satisfaction with the council's processes, procedures and governance arrangements, with an overall 'reasonable assurance' categorisation recorded.

4.2 HR/Policy/Legislative Impact

- 4.2.1 Appendix 6(d) summarises the potential impact of the programme on FTE numbers. With service design expected to deliver end to end automation, and digital by default offered to customers and businesses wherever possible, employee roles will need to change. Trade Unions have been identified as a key stakeholder on both the DigitalNL Stakeholder Engagement Strategy and the DigitalNL Stakeholder Engagement Matrix approved by the DigitalNL Delivery Board in October 2018 as part of the Project Initiation Document (PID). Trade Union engagement will be an essential part of the DigitalNL Transformation programme going forward.
- 4.2.2 HR will also play an increasingly important role in the implementation and delivery stage of the programme, collaborating and delivering in aspects such as: Target Operating Models; Training and Development of staff with new Digital Skills and Redeployment.
- 4.2.3 In recognising the impact DigitalNL will have on our employees, a number of 'Digital Transformers' (30 in total) have been enlisted from a cross range of council Services to assist in communicating and embedding digital skills and new ways of working within their own services.
- 4.2.4 Any FTE impact arising from implementing the proposals outlined in this report and the accompanying appendices will be undertaken in accordance with the Council's *Managing Workforce Change – Framework Guidance*

4.3 Environmental Impact

- 4.3.1 Environmental impacts will be identified as appropriate when designing services for customers, businesses and residents.

4.4 Risk Impact

- 4.4.1 Effective identification and management of risk is considered critical to the success of this programme. During this design phase, the DigitalNL team completed a comprehensive risk assessment, with the Risk Log reviewed and updated as appropriate. The key risks presently contained within the RAIDE log are illustrated in Appendix 7 for member information.
 - 4.4.2 The RAIDE Log and the risk management approach were reviewed by the corporate risk team at the end of the Design Stage (19 December 2018).
 - 4.4.3 All 'High Impact' risks will be included within progress reports to the SRO and DigitalNL Delivery Board to ensure the implementation programme, if approved, operates as efficiently and effectively as possible.
 - 4.4.4 Gateway Reviews are generally considered an effective layer of scrutiny and challenge, and are often perceived to strengthen the robustness of change and review processes. In recognising the extent of change likely to arise from the implementation phase of DigitalNL, an appropriate Gateway Review process will be developed to assist in mitigating risks associated with managing change.
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5. Measures of success

- 5.1 Success will be evidenced through technology being efficiently and effectively deployed to support service delivery models and solutions which are designed to meet the needs of businesses and communities.

5.2 Specific measures of success will be identified and evidenced as The Plan and all Programmes of Work (including DigitalNL) progress. However, better connected communities and businesses, improved customer experiences, and availability of multi-skilled, agile and flexible staff are key to demonstrating this programme's success.

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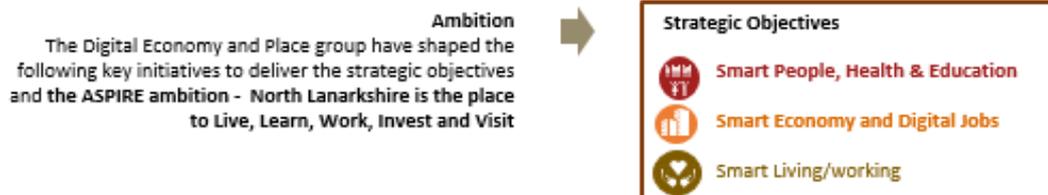
Robert Steenson
Executive Director (Enterprise & Communities)

Digital Economy and Place Projects



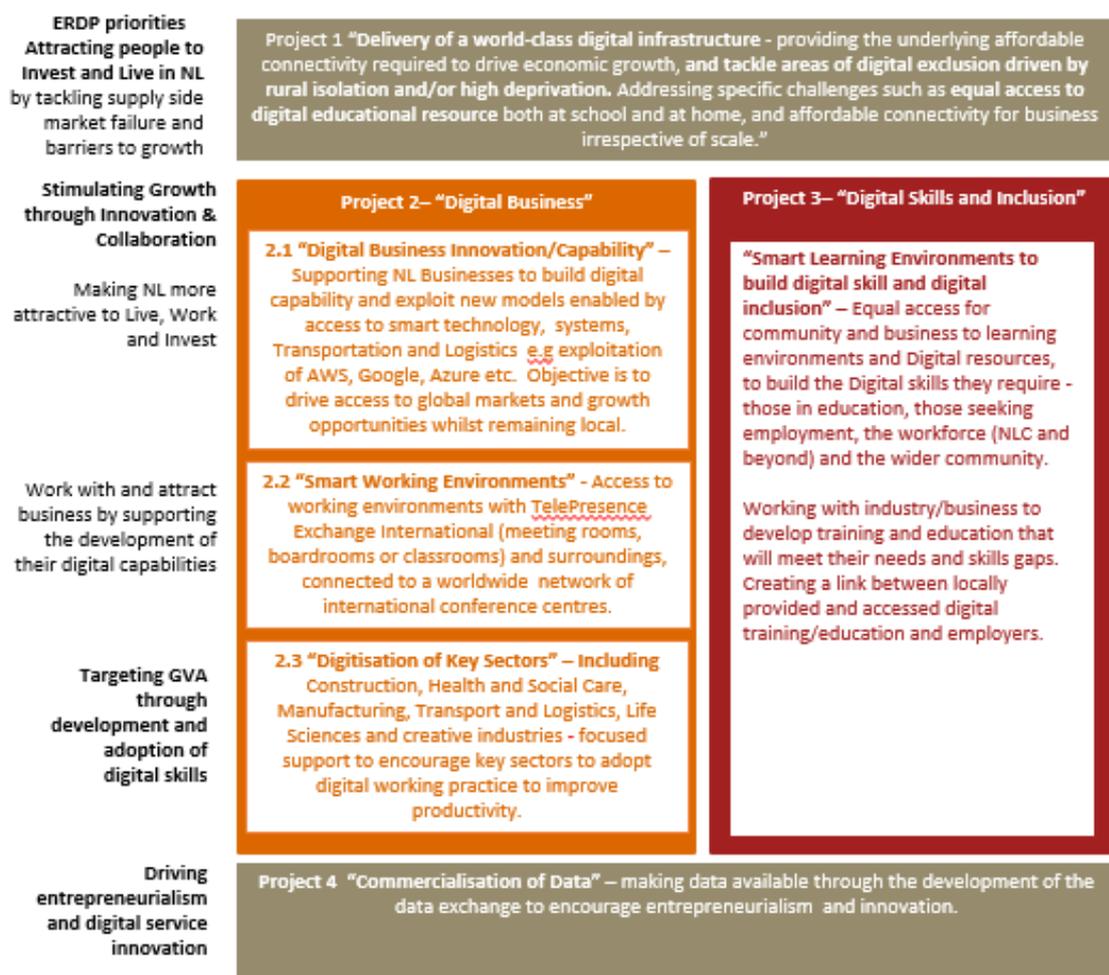
Shaping the Programme

Overview of our suggested Programme

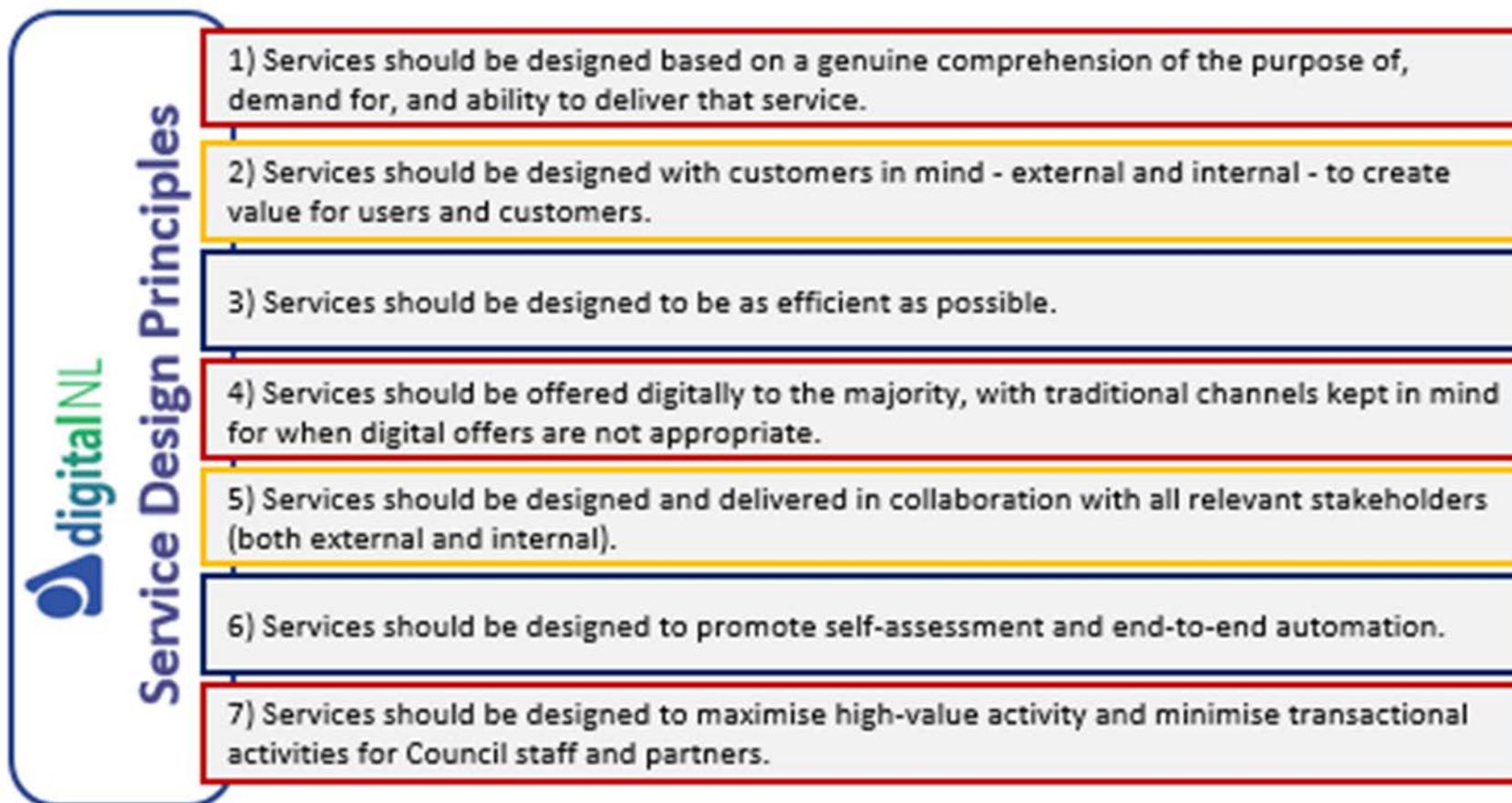


Digital Economy and Place Programme of work

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Service Design Principles

A graphic titled 'Service Design Principles' with the 'digitalNL' logo. It contains seven numbered principles, each in a colored box: 1) Services should be designed based on a genuine comprehension of the purpose of, demand for, and ability to deliver that service. 2) Services should be designed with customers in mind - external and internal - to create value for users and customers. 3) Services should be designed to be as efficient as possible. 4) Services should be offered digitally to the majority, with traditional channels kept in mind for when digital offers are not appropriate. 5) Services should be designed and delivered in collaboration with all relevant stakeholders (both external and internal). 6) Services should be designed to promote self-assessment and end-to-end automation. 7) Services should be designed to maximise high-value activity and minimise transactional activities for Council staff and partners.

digitalNL

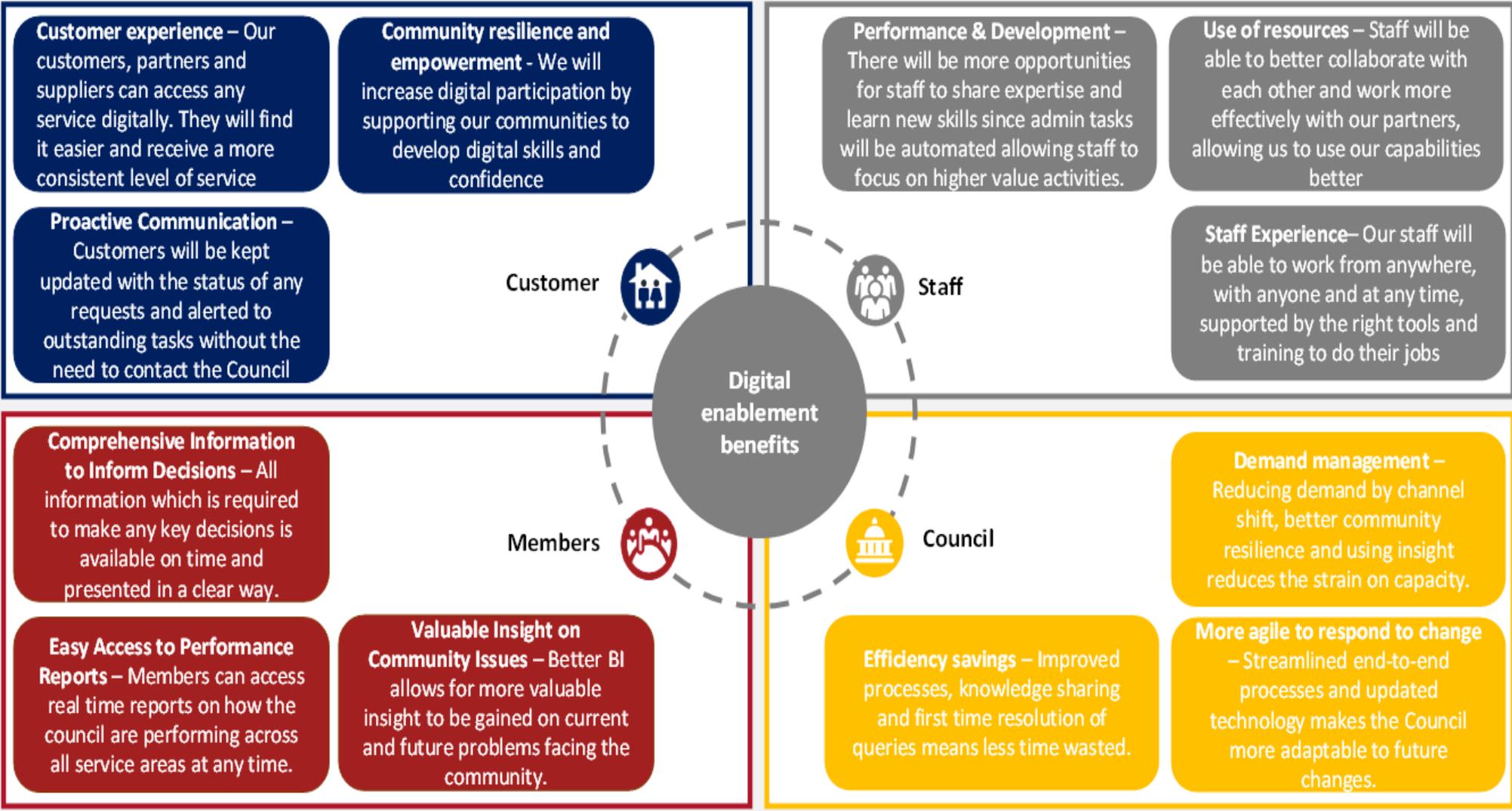
Service Design Principles

- 1) Services should be designed based on a genuine comprehension of the purpose of, demand for, and ability to deliver that service.
- 2) Services should be designed with customers in mind - external and internal - to create value for users and customers.
- 3) Services should be designed to be as efficient as possible.
- 4) Services should be offered digitally to the majority, with traditional channels kept in mind for when digital offers are not appropriate.
- 5) Services should be designed and delivered in collaboration with all relevant stakeholders (both external and internal).
- 6) Services should be designed to promote self-assessment and end-to-end automation.
- 7) Services should be designed to maximise high-value activity and minimise transactional activities for Council staff and partners.

Stakeholder Engagement Summary

Service	Division	Type of Engagement	No	Date Range
Service Based Workshops:				
Chief Exec	Audit & Risk Solutions	Service Design Solution Design	1 0	Aug 18
	Business Solutions	Service deign Solution Design	5 12	Aug 18 – Jan 19 Nov 18 – Dec 18
	Financial Solutions	Service Design Solution Design	9 3	Aug 18 – Feb19 Sept 18 – Oct 18
	Legal & Democratic Solutions	Service Design Solution Design	5 2	Aug 18 – Jan 19 Oct 18
	People & Organisational Development	Service Design Solution Design	3 1	Aug 18 – Jan 19 Oct 18
	Strategic Communications	Service Design Solution Design	5 0	Sept 18 – Jan 19
Education & Families		Service Design Solution Design	6 1	Sept 18 – Feb 19 Sept 18
Enterprise & Communities		Service Design Solution Design	42 12	Aug 18 – Feb 19 Sept 18 – Jan 19
Health & Social Care		Service Design Solution Design	6 4	Aug 18 – Jan 19 Sept 18 – Dec 18
Sub Total			117	
Other Workshops/Meetings:				
Cross Service Workshops		Service Design	6	Oct 18 – Nov 18
Vendor Meetings		Solution Design	26	Sept 18 - Feb 19
External Stakeholders		Service Design	9	Oct 18 – Feb 19
Roadshows (E&HR)		Service Design	26	Aug 18 – Dec 18
Trade Union Meetings		Communications	2	14 Nov 2018 30 Jan 2019
Total			186	

North Lanarkshire Digital Vision: Benefits to Stakeholders



Illustrative Year One Work-Package

WP ID	Work package Description
Acceleration Work Packages	
A1.	Accelerating Implementation Readiness
A2.	Implement Civica Forms
A3.	Data Sharing, Information Management and Security
A4.	Simplify Letters and Forms
Main Work Packages	
M1.	Change Management & Communications Support
M2.	Programme Management and Benefits Management
M3.	Productivity Improvement through Software Automation (RPA Pilot)
M4.	Productivity Improvement through Software Automation (Rollout)
M5.	Office Productivity (Planning)
M6.	Office Productivity (Full Rollout)
M7.	Future Operating Model Design and Digital Workforce Strategy
M8.	Service Construct, Implementation and Organisational Design
M9.	Digital Awareness Training (Planning)
M10.	Digital Awareness Training (Delivery)
M11.	Performance Management and Measurement
M12.	Cloud Migration Detailed Assessment
M13.	Cloud Migration
M14.	SharePoint Migration
M15.	Identity Management
M16.	Digital Platform (Build)
M17.	Website Development
M18.	Portal Development
M19.	Workforce Optimisation Proof of Concept
M20.	Procurement Services
M21.	Chatbot Implementation

Cost / FTE Impact Breakdown

Investment (6a)

The following table shows the investment costs phased over the 5 year programme and a comparison with the OBC figures.

	Costs (£m)					
	Year 1 19/20	Year 2 20/21	Year 3 21/22	Year 4 22/23	Year 5 23/24	Total
NLC Resource	0.9	0.9	0.9	0.7	0.5	4.0
External Resource - BI	4.0	3.5	2.1	1.3	0.3	11.1
SI - Enterprise Solution	2.4	2.5	1.3	0.5	0.0	6.8
SI - O365	1.0	1.5	0.0	0.0	0.0	2.5
SI - Cloud Migration	0.3	0.3	0.3	0.0	0.0	0.8
Technology - One off	1.4	1.7	0.5	0.1	0.0	3.7
FBC Total	10.0	10.4	5.0	2.5	0.8	28.8
OBC Profile	1	6.7	6.7	4.3	0	18.7

Capital / Revenue Summary (6b)

The table below shows the split across the funding sources and a comparison with the OBC figures

		Capital / Revenue Summary (£m)						
		HRA	IJB	GF	FBC Costs	FBC % Total	OBC Costs	OBC % Total
Split across funds		16%	40%	45%	100%			
Technology Build	Capital	2.1	5.4	6.0	13.5		12.5	
Capital Sub-Total					13.5	47%	12.5	67%
One off Implementation	Revenue	2.4	6.1	6.8	15.3		6.2	
Revenue Sub-Total					15.3	53%	6.2	33%
Overall Total		4.5	11.5	12.8	28.8	100%	18.7	100%

Recurring Cost Pressures (6c)

The table below shows the recurring cost pressures which will be offset against future savings and a comparison with the OBC figures

	Recurring Costs (£m)					
	Year 1 19/20	Year 2 20/21	Year 3 21/22	Year 4 22/23	Year 5 23/24	Total
IT Cost Pressures: current solutions	1.5	1.5	1.5	1.5	1.5	7.5
Ongoing costs: future solutions	0.5	1.3	1.6	1.8	1.8	7.0
Sub Total	2.0	2.8	3.1	3.3	3.3	14.5
Technology Savings: cumulative	-0.2	-0.5	-0.9	-1.2	-1.2	-1.2
FBC Total Costs	1.8	2.3	2.2	2.2	2.2	13.4
OBC Profile	2.7	2.7	2.7	2.7	2.7	13.5

Cost / FTE Impact Breakdown

Indicative FTE Impact (6d)

The following tables show the reduction of FTE (per service) by activity and phased over the 5 year programme as well as a comparison with the OBC figures

	FTE Reduction per Activity Area							
	Front Office	Service Delivery	Middle Office	Strategic Support	Enabling Support	Mobile Working	FBC Totals	FBC % Total
Chief Executive's Office	6	0	1	1	4	0	13	2%
Education, Youth & Communities	10	5	21	0	2	0	38	6%
Enterprise & Housing Resources	35	4	16	1	11	3	69	10%
HRA	60	10	27	0	4	3	104	16%
Health & Social Care	58	48	63	1	13	72	253	38%
Infrastructure	74	63	42	0	7	5	191	29%
FBC Totals	242	131	168	3	41	83	668	100%
OBC Profile	139	125	147	36	89	0	536	100%

	Cummulative FTE Reduction Per Year							
	Year 1 19/20	Year 2 20/21	Year 3 21/22	Year 4 22/23	Year 5 23/24	FBC % Total	OBC Cum FTE	OBC % Total
Chief Executive's Office	3	8	12	13	13	2%	18	3%
Education, Youth & Communities	0	0	0	38	38	6%	32	6%
Enterprise & Housing Resources	8	56	56	69	69	10%	95	18%
HRA	0	104	104	104	104	16%		
Health & Social Care	0	0	169	253	253	38%	196	37%
Infrastructure	0	44	172	187	191	28%	196	37%
Totals	11	212	513	664	668	100%	536	100%

Note: Education schools based support/admin staff are excluded from the above table. There has been an assumptions based FTE impact estimate of around 13 FTE in this functional area. This will be reviewed in detail during the implementation programme.

FTE Baseline

The FTE baselines for the OBC and FBC changed between June 2017 and October 2018. The table below shows the baseline FTE used, the indicative FTE impact and percentage reduction against the baseline.

Overall FTE Baseline	Total FTE	Reduction in FTE	% Reduction
FBC (rebaselined as at Oct 2018)	6584	668	10%
OBC (as at June 2017)	6966	536	8%

Cost and Benefit Assumptions

A number of working assumptions were made for the generation of the cost and benefit figures for the DigitalNL transformation programme:

- **FTE Baseline:** The Activity Analysis was re-baselined with the Establishment Report as at 9th October 2018. This activity analysis provided a snapshot of the baseline of

Cost / FTE Impact Breakdown

effort by service and process at that point in time. An assumption-based activity baseline was developed for schools support staff and included in the business case calculations as they did not take part in the original activity analysis summary. Workforce organisational design will continue throughout the duration of the programme and FTEs will be re-baselined throughout which could impact on the benefits realised.

- **Cost Baseline:** The cost baseline has been developed using the midpoint salaries provided for each grade in scope, adjusted for on-costs, pension contributions and natural attrition.
- **Volumes:** Where it has been available, and has been provided, we have used the council's volumetric data (numbers of calls, emails, face to face interactions) to inform the processing effort involved in front office processes.
- **Approval of identified savings:** The timetable set out in the business case assumes prompt approval of identified savings through the agreed governance route for implementation. Any delay in this process will impact the cost benefit profile as set out in this report.
- **Technology Costs:** The technology costs in this report include software and technology specific implementation costs.
- **Resource Costs:** Resource costs include NLC resource, external resource from the Business Integrator and external resource from the Systems Integrator.
- **External resource costs** are predicated on delivery of the opportunities identified from services and the required people, process and technology enablers. Further scope may increase the cost incurred.
- **Capital and revenue costs:** Assumptions for identifying a cost as capex or opex (revenue) have been applied. Irrespective of whether an on premise or cloud software arrangement is being entered into, there are some standard setup and implementation costs which are typically incurred by an organisation taking on a digital transformation
- **Duration of Programme:** An optimum bias of 70% has been applied to savings to account for the delivery risks associated with large scale, complex transformations such as DigitalNL that will span over a number of years. Risks are in the areas of:
 - **Competing priorities** – both national and local may impact on timescale for realisation of benefits.
 - **Workforce savings already planned or realised by Services** – vacancies deleted etc. that may impact on the activity analysis results and subsequent calculation of benefits.
 - **The complexity, scope, scale and duration of this programme** – the further in time the benefit is due to be realised the more it may be impacted/threatened.
 - **Cultural change** – needs to be embraced by all to ensure successful implementation and realisation of benefits.
 - **Rapid pace in changing technology**
 - **Legislation changes** may threaten realisation of benefits

Key Risk Assessment

Risk	Likelihood	Impact	Mitigation
Scale of change programme could impact negatively on service delivery.	M	H	<ul style="list-style-type: none"> Balance use of dedicated programme team members and current service delivery resources with backfill as appropriate. Carry out robust resource planning and resource with suitable skills and capabilities.
Impact of policy or legislative change.	M	M	<ul style="list-style-type: none"> Evaluate policy changes to determine the impact on Services and the future business model.
Benefit assumptions unrealistic as unable to isolate staff in Services carrying out roles impacted by the changes.	M	H	<ul style="list-style-type: none"> Conduct exercise to identify full FTE equivalent roles during detailed design. Identify ring fenced population. Transfer budgets if not full FTE equivalent and roles if full FTE equivalent. Executive Directors to lead on service design.
Costs / benefits assumptions not realised.	M	M	<ul style="list-style-type: none"> Prudent approach to benefits has been adopted. Maintain single post tracker within programme. Implement robust change request process. Set transformation targets in corporate objectives.
High reliance on cultural / behavioural change.	M	H	<ul style="list-style-type: none"> Establish buy in and Leadership from Senior Management Team. Adopt structured approach to communication and stakeholder management. Establish staff engagement through design – Executive Director led.
Lack of buy in to the model by Services.	M	H	<ul style="list-style-type: none"> Establish leadership commitment at outset and to be confirmed at each stage. Fully develop and test service levels prior to operational go live. Implement comprehensive engagement and communication plan.
High reliance on agile delivery of technology / data solutions.	M	H	<ul style="list-style-type: none"> Majority of change will be cultural and behavioural with technical tools key to support new working styles.

Key Risk Assessment

			<ul style="list-style-type: none"> - Use external support as required with client side business integrator.
Key stakeholder buy in: Members, Staff, and Partners.	M	H	<ul style="list-style-type: none"> - Implement comprehensive communication and engagement plan. - Make use of user journeys, early pilots and prototypes to bring to life during design.
Misalignment between DigitalNL strategic programme and BAU in-flight IT changes.	M	H	<ul style="list-style-type: none"> - Strong alignment with North Lanarkshire digital infrastructure plans. - Umbrella view of all IT enabled change - Establish one programme plan – mapping dependencies. - Make use of design authority and technical design authority to understand wide impact on key decisions.
National policy changes e.g. in Education and the JIB may affect implementation.	M	H	<ul style="list-style-type: none"> - Benefits have been phased to allow for lead in to changes to service delivery. - Engage senior stakeholders from all Services at a leadership level to facilitate alignment with changes. - Adopt robust benefits tracking and risk management during programme to monitor and respond to policy changes.