



Cabinet
14 October 2019

**Report from the Strategic Director
of Customer and Digital Services**

Digital Strategy and Business Case 2019-23

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: (If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)	Appendix 1 and 2 to the Outline Business Case are exempt from publication as they contain the following category of information exempt under Part 1, Schedule 12A of the 1972 Local Government Act: paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).
No. of Appendices:	Four Appendices: Appendix 1 Draft Digital Strategy 2019-23 Appendix 2 Draft Outline Business Case (OBC): Appendix 1 & 2 exempt from publication) Appendix 3 Draft Cyber Security Strategy 2019-23 Appendix 4 Digital Strategy Equality Assessment
Background Papers:	N/A
Contact Officer(s): (Name, Title, Contact Details)	Sadie East Head of Transformation 0208 937 1507 Sadie.East@brent.gov.uk

1.0 Purpose of the Report

1.1 The purpose of this report is to present Cabinet with the draft Digital Strategy and draft Cyber Security Strategy 2019-23 for agreement. The draft strategy builds on the 2017-20 strategy which was agreed in June 2017 and is aligned to the 2019-23 Borough Plan. The report also presents an Outline Business Case (OBC) for capital investment to deliver the strategy for Cabinet agreement. In addition, the report seeks Cabinet approval to procure a digital development partner.

2.0 Recommendation(s)

- 2.1 Cabinet agrees the Digital Strategy 2019-23 as set out in Schedule 1.
- 2.2 Cabinet agrees the Outline Business Case as set out in Schedule 2 with the funding identified to deliver the programme.
- 2.3 Cabinet agrees the Cyber Security Strategy 2019-23 as set out in Schedule 3.

- 2.4 Cabinet approves the procurement a contract for a digital development partner to be based on pretender considerations and evaluation criteria presented to Cabinet.
- 2.5 Cabinet delegates to the Strategic Director of Customer and Digital Services, in consultation with the Deputy Leader, authority to award a contract for a digital development partner.

3.0 Detail

Background

- 3.1 In June 2017, Cabinet agreed an investment of £5.6m for a programme of work to deliver Brent's Digital Strategy 2017-20. Since then, the programme has worked to ensure local residents, partners and businesses are able to thrive in the digital future, and play active roles in shaping Brent into a digital borough where technology is used to improve the lives and life chances of everyone.
- 3.2 The original business case for the 2017-20 programme forecast cumulative saving of £3.7m net of costs after year 5 (2021/22) with payback within three years and an estimated recurring saving of £2.6m after 21/22 (based on both new and enabling savings). The current cumulative savings forecast for the 2017-20 programme is £4m (net of costs) is with an annual recurring saving of £3.2m.
- 3.3 Key benefits of the programme to date include:
- Implementation of improved digital systems for Brent Customer Services has supported delivery of £1m savings.
 - Implementation of Dynamics case management system has supported Housing Management Transformation and delivery of £1m savings.
 - Robotic Process Automation (RPA) pilot in Brent Customer Services demonstrated a £32,800 annual saving in overtime costs for implementing housing benefit rent changes. Five other housing benefit processes have also now been successfully automated and analysis shows significant potential savings through further automation of processes.
 - Website improvements have resulted in increased session duration, decreased bounce rate and a 95% reduction in broken links.
 - Over 30 Brent residents have been newly recruited to support Hyperoptic's fibre broadband roll out.
 - The digital skills programme has provided improved digital skills for over 300 residents and 450 Brent young people have benefited from TechMix pilot which increased their digital skills, confidence and employability.
 - Full fibre to the premises broadband coverage is now nearly 20% from a June 17 baseline of 3.7% (based on OFCOM data).
 - Over 3,500 homes and a number of community spaces now have access to a gigabit capable broadband connection.

- £12K in income has been generated by use of Brent drone through aerial photography, weddings etc.
- A successful prototype has provided professionals with access to data held in different places to give them a more holistic view of the lives of vulnerable young people and work is underway to implement a permanent dashboard. This has potential to reduce costs through earlier intervention.
- Development and launch of the Brent for Business portal has received positive feedback from businesses and is freeing up staff time previously spent dealing with simple queries.
- New platforms have been developed for key corporate initiatives including Borough of Culture, i4B and the Syrian refugee programme. Separate development of these bespoke systems would have resulted in increased cost to the council.
- A successful and effective digital transformation team has been established and work is underway to build an in-house centre of excellence in technologies such as Dynamics, RPA and Artificial Intelligence (AI). This has included the recruitment of three digital apprentices, with more posts planned, training for in house support teams and secondment opportunities enabling staff to gain new skills. In addition, there are income generation possibilities from providing these skills to other councils.

The draft Digital Strategy 2019-23 and Outline Business Case

- 3.4** During the past three years, the pace of technological change has continued to accelerate, presenting countless more challenges and opportunities. In response to this, the digital strategy has been refreshed and extended to cover the period 2019-23, to align with the Borough Plan. The draft Digital Strategy 2019-23 is included at Schedule 1.
- 3.5** The draft strategy sets out how digital transformation can support the delivery of the five borough plan themes: every opportunity to succeed; a future fit for everyone, an economy fit for all; a cleaner, more considerate Brent; a borough where we can all feel safe, secure, happy and healthy; and strong foundations. In particular, the strategy sets out how new technology can contribute to delivering outcomes of enabling residents to get online; making every pound count and meeting local needs, which are key elements of the strong foundations theme.
- 3.6** Delivery of this strategy requires ongoing investment in new technology and the capacity and capability to implement and support it, building on and leveraging the benefits from the strong foundations put in place by the 2017-20 digital programme to harness the opportunities provided by technology to deliver the vision set out in the 2019-23 Borough Plan. The OBC, attached at Schedule 2, sets out the potential costs and savings for the proposed programme alongside priority projects and technology investments.
- 3.7** Key benefits which will be delivered by the proposed programme include:
- 3.8** Benefits for residents:
- **Improved customer experience** in engaging with Council services, for example:

- Residents will be able to access more services online, transactions will be easier and residents will be able to access services via smart phones and tablets
- Residents will be able to pay for more services online
- Residents will be able to track the progress of their cases and transactions
- A more secure, single portal will enable residents to effectively transact with a wider range of council services in one place
- **Access to faster, more robust connectivity** with greater capacity to meet future demand, for example:
 - Full fibre roll outs will create fibre spines enabling residents to access faster, more robust and futureproof broadband
 - Roll out of 5G connectivity will enable wider use of Smart Home technology and provide a platform for innovation
- Technology will enable **an improved quality of life** for some residents, including:
 - Internet of Things devices will allow residents to live more independently for longer
 - Implementation of Smart city devices will enable better management of challenges including air quality and traffic congestion across the borough
 - Roll out of full fibre network will support the CCTV network in Park Royal and will address community safety concerns
- Access to support for improved **digital skills** enhancing employment and growth in the borough:
 - More children and young people will be able to access coding clubs through libraries
 - Over 1,700 places will be available for residents on Brent Start digital skills courses in the borough.

3.8 Benefits for the Council:

- **More efficient ways of working**, enabled by digital developments, including:
 - RPA will automate mundane processes, reduce rekeying and manual interventions
 - Investment in Electronic Document Management (EDM) and Dynamics Customer Relationship Management systems will reduce processing times (e.g. through enabling a single view of the customer)
 - Pilots such as AI machine learning and Power Apps will facilitate service redesign and enable more efficiency
 - New systems such as HR Talent will make it easier for managers and staff to self-serve underpinning improved performance management and recruitment processes
- Using information more effectively to benefit residents, **making every pound count**:

- Improvement of performance information and data analysis (e.g. through Dynamics and Power Apps) to enable deeper understanding and support planning and service improvements
- Data Lake implementation will support predictive analytics supporting early intervention reducing demand on frontline practitioners. Data can also facilitate quicker and better decision making based on live analytical information
- Increased ability to analyse communication with customers through chatbots improving understanding of issues and challenges impacting on residents
- Generation of **financial benefits** for the Council through:
 - Income generation through commercial developments (e.g. sale of expertise and digital developments to other Councils, use of assets for 5G infrastructure)
 - Savings through rationalisation of systems, reducing licensing and support costs
 - Improving online payment functionality will improve income collection and reduce debt
 - Potential for financial savings to be realised as a result of efficiencies in processing and ways of working
 - New technology will enable delivery of key initiatives and related savings including the new Customer Access model; Family Hubs; increased use of Adult Social Care assistive technology and the alignment of contracts for environmental services in 2023.

3.9 Costs and savings set out in the OBC have been derived from internal consultation with service areas, external technology cost information from third parties and drawing on benchmarks and indicators of costs and savings from other London boroughs undertaking similar programmes.

3.10 Work on the programme to date has demonstrated that the appetite for digital transformation in the council is high. The programme has a pipeline of potential projects across a wide range of departments and service areas which have been built into the OBC. The OBC also recognises and reflects the need for capacity needed to drive and support this level of change.

3.11 The Digital Strategy and OBC are aligned with core strategic priorities including:

- The implementation of the new Customer Access Model
- The implementation and embedding of locality working, including increased partnership working
- The roll out of Community and Family Hubs
- Developing a single view of the child to support decision making in CYP
- The requirement to provide more effective back office systems to drive more effective workforce management and development
- The alignment of environmental contracts in 2023
- The need to identify further savings for 2021-22 and 2022-23.

3.12 Implementation of the previous strategy focused on testing, piloting and putting in place the building blocks for a solid foundation to enable future

digital transformation. The programme of activities, outlined as part of the updated Digital Strategy, is focused on realising and building on this initial investment. The overall investment required is estimated at £12.5m over the programme period (assuming a programme that runs from April 2020 through to September 2023). Some investment may be drawn on in the latter part of 2019-20 to ensure momentum is maintained on current work. Based on work carried out on the OBC to date, total cumulative savings are forecast at £16.6m, after Year 5 with payback within 4 years and an estimated recurring annual saving of £4.1m after year 4 (based upon new, enabling and efficiency savings).

Programme delivery

- 3.13 The OBC sets out a proposed programme of work to implement the digital strategy and the investment required in order to deliver this. The programme is organised into a number of themes:

Building Blocks

Working collaboratively to create the best possible solutions and continue to grow our in-house capacity and capability to develop and deliver these solutions. Ensuring that we have an efficient and secure technical architecture to support our digital ambitions.

Access

Giving residents quick and easy access to the information they need by continuing to transform the way services can be accessed. Using innovative technology to support customers as they interact with us and providing assistance for residents with more complex needs.

Skills

Working to ensure the right information, services and conditions are in place for all stakeholders to confidently interact with the digital council and thrive in the digital place.

Digital Place

Improving the borough's digital infrastructure so it is a destination for investment and is well placed to meet the challenges of the emerging digital economy.

Data and Smart devices

Extending our data capture and analytics capability to create richer data, a single view of the customer and services and the ability to drive decision-making. Enabling early service intervention to reduce demand and long terms costs on the council and partners.

MS Dynamics

This theme includes bringing further services on to our MS Dynamics Customer Relationship Management System (CRM) and extending the use of our Electronic Document Management solution (EDM). Channels, applications and workflows will be integrated to enable seamless end-to-end transactions and maximise first touch capability. This means that we are able put the citizen at the centre of service delivery giving staff a single view of the customer, allowing them to access the information needed to resolve issues far more quickly. Crucially, we are using this technology to widen and improve our self-service offer. This will allow customers to interact with us at how and when it suits them

and to easily track progress. This also allows us to rationalise the number of individual applications the council has in place which will drive savings in licensing and support costs.

Robotics

Using robotics to increase staff capacity, enabling them to deal with meaningful and complex interactions making better use of the talent and skills within our workforce. This includes Robotic Process Automation to carry out routine tasks quickly and accurately so they are completed on time, eliminating risk of errors, improving quality resulting in increased customer satisfaction. Using chatbots to assist customers to not only provide a speedy response, but to allow customers to interact with the Council across a range of platforms, including social media. It also means understanding how Artificial Intelligence (AI) can be used get customers faster and more consistent decisions, allowing them to carry out complete transactions where and when they choose.

- 3.14 The table below sets out the work which the programme has delivered to date, work which is in progress during the final year of the current programme and planned work to be delivered with additional investment.

	Delivered	In progress	Delivery 2020-2023
Building blocks	Established Digital Programme Team Membership of London Office for Technology & Innovation / Local Government Digital Declaration	Enterprise Architecture review	Innovation pilots incl. exploring Angular & Virtual/Augmented Reality
Access	Specific access projects: Brent for Business Portal Brent Youth Zone site	Care Leaver Pathway Slenky employment platform Dynamics portal and Azure B2C New access model including Brent Hubs / Family Hubs New website Content Management System and improvements to website Accessibility standards YOT/Authentication	Full implementation of the Customer access model Extending the use of powerapps Improving income collection Online forms Foster carer recruitment & retention
Skills	Employment / skills projects Brent Start digital curriculum	Brent Start /Employment & skills projects/Tech sector apprenticeships/ Digital Champions Digital skills for young people e.g. coding clubs	
Digital Place	Supporting the development of campuses Increasing full fibre to the premise coverage in Brent: ODPC/Strategic Investment Pool/ full fibre roll out to Brent's housing stock/5G Connectivity		
Data and Smart devices	Predictive analytics pilot	Drone Internet of Things deployments including Smart Cities, Smart Blocks, ASC devices/Assistive technology	Open data Data Lake ASC: improving data sharing with health partners/using technology to address social isolation
MS Dynamics		Customer Relationship Management HR Talent (performance management, recruitment) and case management Electronic Document Management	
Robotics	Robotics pilot Chatbots pilot	Robotics Process Automation deployment Chatbots deployment	Artificial Intelligence / Machine learning projects

Governance

- 3.15 Delivery of the programme will be undertaken by the Customer and Digital Board which is chaired by the Strategic Director of Customer and Digital Services and made up of senior representatives from all council departments. The Board will report regularly to the Council Management Team and on to the Policy Coordination Group. In addition, the programme budget and financial benefits will be monitored by the Corporate Landlord Board which reports to the Capital Programme Board.

Appraisal

- 3.16 An assessment of costs and savings has been undertaken for this outline business case based upon the following:

- Cost of the programme and the proposed digital services resources – the programme is assumed to be temporary to end September 2023. Costs for programme support and technical resource to implement the programme are included in the OBC with a focus on building in house capability to support and further drive the digital agenda. The change resources have been kept to a minimum within the OBC with this support continuing to be provided by the Transformation Team in Customer and Digital Services. The transfer of the Web team and Business Intelligence teams to this service area will also strengthen resource for delivery.
- Cost of technology enablement such as licence and support, integration, technology implementation support and data analytics/data security tools.
- Savings and income – based upon the assumptions for headcount, third party savings, new revenue streams and cost avoidance/demand management.

3.17 Projects included in the programme fall into two categories:

- Projects that enable and contribute towards existing savings targets for 2019-21, and therefore help give greater confidence in securing savings by having a clearly defined and supported project
- Projects that potentially deliver new savings over the forecast period

3.18 The table below summarises the cost benefit analysis across the above areas over the programme period.

Digital programme cost benefit analysis						
Investment	20/21	21/22	22/23	23/24	24/25	Total
Access	£ 0.3	£ 0.2	£ 0.1	£ -	£ -	£ 0.6
Digital skills and place	£ 0.1	£ -	£ -	£ -	£ -	£ 0.1
Data and smart devices	£ 1.0	£ 0.8	£ 0.5	£ 0.1	£ -	£ 2.4
Dynamics	£ 1.1	£ 1.0	£ 1.0	£ 0.3	£ -	£ 3.4
Robotics	£ 0.6	£ 0.6	£ 0.1	£ 0.1	£ -	£ 1.4
Building blocks	£ 0.7	£ 0.7	£ 0.6	£ 0.2	£ -	£ 2.2
Licensing	£ 0.7	£ 0.7	£ 0.7	£ 0.3	£ -	£ 2.4
TOTAL COSTS	£ 4.5	£ 4.0	£ 3.0	£ 1.0	£ -	£ 12.5
Savings/Income	20/21	21/22	22/23	23/24	24/25	Total
Savings (Enabling) Implementation of Customer Access Model	£ 0.4	£ 0.4	£ 0.4	£ 0.4	£ 0.4	£ 2.1
Savings (New) Licensing, etc	£ 0.4	£ 0.6	£ 0.8	£ 0.8	£ 0.8	£ 3.4
Savings (New) CDS	£ -	£ 0.4	£ 0.9	£ 0.9	£ 0.9	£ 3.1
Savings (New) ACE	£ -	£ 0.1	£ 0.3	£ 0.3	£ 0.3	£ 1.0
Savings (New) Online forms	£ 0.3	£ 0.3	£ 0.3	£ 0.3	£ 0.3	£ 1.5
Savings (New) Robotics Process Automation	£ 0.1	£ 0.3	£ 0.4	£ 0.7	£ 0.7	£ 2.2
Savings (New) Income via increased debt recovery through RPA	£ 0.4	£ 0.4	£ 0.4	£ 0.4	£ 0.4	£ 2.0
Income (New) via commercial opportunities	£ 0.1	£ 0.3	£ 0.3	£ 0.3	£ 0.3	£ 1.3
TOTAL CUMULATIVE SAVINGS/INCOME	£ 1.7	£ 2.8	£ 3.8	£ 4.1	£ 4.1	£ 16.6
Annual Profile	£ (2.7)	£ (1.2)	£ 0.8	£ 3.1	£ 4.1	£ 4.2

- 3.19 In addition to the savings identified, a number of projects which are still in the pilot or development stage, or which will be piloted as part of the new programme, have the potential to deliver financial benefits. These include improved income collection, ASC assistive technology and use of data analytics to support management of demand.
- 3.20 Work with services will continue to be undertaken to identify how the programme can support the delivery of new savings targets. New projects will be added to the programme as they are defined with new savings feeding into the medium term financial planning process.
- 3.21 The OBC was considered by the Capital Investment Panel on 29 August 2019. Comments from the Panel have been incorporated into the OBC.

Cyber security strategy 2019-23

- 3.22 The world is seeing continued threats to cyber security by means of phishing, malware, ransomware and other devious malpractice. To support our digital transformation and ensure while providing digital services to businesses and the public they are as safe, secure and reliable as possible, we have developed a Cyber Security Strategy 2019-23. Cyber security is the practice of ensuring the confidentiality, integrity and availability (CIA) of information and the draft strategy, attached at Schedule 4, sets out the council's plans to implement the Information and Cyber Security Standard to protect the information held by Brent Council on behalf of the people it represents and in the national interest.

Procurement of technology partner

- 3.21 At the start of the 2017-20 programme, Infosys was successful in winning a tender to provide development support for the implementation of Microsoft Dynamics 365 CRM, a core building block of the programme. This contract was extended to include additional support as development extended to other technologies.
- 3.22 At this stage of the programme, it has been identified that it would be more cost effective and beneficial to delivery to procure a development partner to support the programme as it evolves.
- 3.23 It is therefore proposed that a single contract for a development partner will be competitively tendered through an established national framework. This contract will have the flexibility to be able to deliver any or all of the technology implementation that supports the programme, whilst allowing the Council the option to use other procurement routes and suppliers when appropriate, in order to deliver the best value for money.

4.0 Financial Implications

- 4.1 In February 2019, the Council agreed its budget for 2019-20 and 2020-21. This budget included agreed savings of £9.5m in 2019/20 with further savings identified in 2020/21. In addition, a budget gap is expected in the subsequent two financial years and therefore further savings will need to be identified in order to balance the Council's budget. This OBC includes a programme of activities that will enable these savings based on the use of new technology to drive more efficient and effective working. In particular this work is required to deliver savings agreed for Brent Customer Services of £0.4m annually.
- 4.2 Investment in this digital programme also provides the tools and support for other departments to make similar savings in 2021-22 and 2022-23, and work will take place with departments in the current year to identify further savings. These new savings include the following recurring savings:
- Licensing – savings from rationalising systems and replacing with Dynamics and EDM to reduce licensing costs (3.4m)
 - Delivery of savings in Customer and Digital Services and the Assistant Chief Executive's departments by using technology to support realignment of services (£3.1m and £1m)
 - Efficiencies through improving online forms and integrating into back office systems, removing unnecessary data entry and contact demand (£1.5m)
 - Efficiencies generated from implementation of Robotic Process Automation (RPA) to replace manual processing (£2.2m)
 - Increase in debt recovery via RPA, based on pilot findings (£2m)
 - Income generation through selling support and development expertise (£1.3m)
- 4.3 The overall investment required is estimated at £12.5m over the programme period and will be funded from the capital programme. Based on work carried out on the OBC to date, cumulative savings of £16.6m are forecast, which are a combination of new savings and enabling existing savings. This is set out further in section 3.18.

5.0 Legal Implications

- 5.1 A range of contracts for systems and support will be required to deliver the Digital Strategy and Business Case. Where such contracts have an estimated value over the term of the contract in excess of £2M, Cabinet approval to tender and award will be required.
- 5.2 Officers are proposing to procure a contract for a development partner. The estimated value of the proposed call off Contract for the development partner is higher than the EU threshold for Services and the award of the contract is therefore governed by the Public Procurement Regulations 2015 (the "Procurement Regulations"). The procurement is subject to the Council's own Standing Orders in respect of High Value contracts and Financial Regulations.
- 5.3 The intention is to use an appropriate framework to procure the contract for a development partner. The Procurement Regulations allow the use of framework agreements and prescribe rules and controls for their procurement. Contracts may then be called off under such framework agreements without the need for them to be separately advertised and procured through a full EU process. Call offs under the framework need to be carried out in accordance

with the framework rules, to include using evaluation criteria specified in the framework and utilising the terms and conditions set out in the framework.

- 5.4 The Council's Contract Standing Orders state that no formal tendering procedures apply where contracts are called off under a framework agreement established by another contracting authority, where call off under the framework agreement is approved by the relevant Chief Officer and provided that the Chief Legal Officer has advised that participation in the framework is legally permissible. The Chief Legal Officer will therefore need to review any proposed framework and confirm that participation in the Framework is legally permissible.

6.0 Equality Implications

- 6.1 An Equality Impact Assessment has been carried out for the draft Digital Strategy 2019-23 and is included at Schedule 7.

7.0 Consultation with Ward Members and Stakeholders

- 7.1 The Lead Member has been consulted throughout the development of the draft strategy and OBC.
- 7.2 A range of customer feedback has been fed into the development of the strategy including the findings of the Resident Attitude Survey (2018); feedback from workshops with residents carried out as part of the Customer Access Review (2019); stakeholder research including Crisis: 'Brent Council's Online Systems – A Crisis Peer Research Project' (2019).

8.0 Human Resources/Property Implications (if appropriate)

- 8.1 Implementation of the Digital Strategy will require ongoing cultural change within the council which is included in the resources identified to deliver the programme.

Report sign off:

PETER GADSDON

Strategic Director of Customer and Digital Services