



Cabinet
6 December 2021

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

Digital Strategy and Business Case 2022-26

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Appendix 1 to the Outline Business Case is exempt from publication as it contains 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:	Three: Appendix 1 Draft Digital Strategy 2012-26 Appendix 2 Draft Outline Business Case (OBC) Appendix 2(a) (exempt) Future benefits (Appendix 1 to the OBC) Appendix 3 Equality Impact Assessment
Background Papers:	N/A
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1.0 Purpose of the Report

1.1 The purpose of this report is to present Cabinet with the draft Digital Strategy 2022-26 for agreement. The draft strategy builds on the 2019-23 strategy that was agreed in October 2019. The report also presents an Outline Business Case (OBC) for an extension of the Digital Programme to 2026 and the capital investment to deliver the strategy.

2.0 Recommendations

2.1 Cabinet agrees the Digital Strategy 2022-26 as set out in Appendix 1.

- 2.2 Cabinet agrees the Outline Business Case as set out in Appendix 2 with the funding identified to deliver the programme.
- 2.3 That Cabinet approves the establishment of a Business Support Fund as set out in Appendix 2 and paragraph 3.19 of this report.
- 2.4 That Cabinet delegate to the Strategic Director of Customer and Digital Services in consultation with the Cabinet Member for Resources authority to agree eligibility criteria for the Business Support Fund
- 2.5 That Cabinet delegate to the Strategic Director of Customer and Digital Services authority to administer and award assistance from the Business Support Fund.

3.0 Detail

Background

- 3.1 In October 2019, Cabinet agreed an investment of £12.5m for a programme of work to deliver Brent's Digital Strategy 2019-2023. Since then, the Covid19 pandemic has highlighted the crucial role of digital technology in the way we live and work, and has accelerated the move to online for many more citizens, businesses and organisations. At the same time it has exposed greater inequalities, including digital exclusion, and increased the risk that those who do not have access to digital devices, fast broadband and sufficient data are left even further behind. The programme has also shown how we can use technology to support other priorities for the Council including work to tackle the climate emergency and to support the implementation of recommendations from the Poverty Commission and the Black Community Action Plan.
- 3.2 The original business case for the 2019-23 programme forecast cumulative savings of £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).
- 3.3 Overall the programme has enabled agreed savings targets by providing the technology to support improvements to services such as the development of a new customer access model and the implementation of Family Wellbeing Centres. The programme has also provided services with efficiencies which can be used to manage increasing demand or to improve services. There are also a range of wider benefits for residents and businesses in Brent as a result of the investment in digital, for example improvements in connectivity and support for people who are digitally excluded.
- 3.4 Key achievements of the 2019-23 programme to date include:
 - Improved our resident online portal so that users have self-serve access to essential services such as housing needs, housing benefit and council tax 24/7 through any device.

- Worked with providers to retrofit fibre cabling to over 6,000 premises within Brent's housing stock, increasing our residents' access to full fibre broadband at affordable prices.
- Assisted over 200 digitally excluded residents through the Resident Support Fund
- Established one of the first data ethics boards and developed our first data lake use case – the rent arrears management system (RAMS) dashboard, with two more to follow shortly
- Introduced virtual agents (chatbots and web chats) in our online services to instantaneously answer residents' questions about council services and connect them with relevant information and forms, improving their experience when interacting with the council
- Supported the Council in responding to the Pandemic – from tools for home working to systems for shielding, test and trace and business support grants
- Used robotic process automation (RPA) to speed up manual processes, improved accuracy, delivered additional tasks such as reporting for Covid-19 and saved officer time to be used on more productive tasks (saved over £190k of officer time in 2020/21)
- Generated £2.8m of social value for the council and residents through the digital programme.

3.5 The programme has generated savings and efficiencies. It has enabled the delivery of savings including a £425k p.a. saving through the delivery of a new customer access model. It has also led to reductions in licensing costs as systems have been consolidated onto a single platform.

3.6 In terms of specific departmental efficiencies, examples include:

- Community Wellbeing used RPA to save £9k in officer time by automating leasehold repairs
- Children and Young People (CYP) used RPA to save £19k of officer time by automating a range of processes including school admissions checks and school admissions waiting list
- CYP has saved £7k of officer time with the introduction of online applications for registrations and bookings for Family Wellbeing Centres, and a kiosk for self check-in and check-out
- Customer and Digital Services has use RPA to facilitate the collection of over £500k more debt

3.7 These efficiencies have been used by departments in a range of ways including managing increases in demand and freeing up resources for front line work.

The draft Digital Strategy 2022-26 and Outline Business Case

3.8 The Covid19 pandemic has highlighted the crucial role of digital technology in the way we live and work, and has accelerated the move to online for many more citizens, businesses and organisations. At the same time it has exposed greater inequalities, including digital exclusion, and increased the risk that those who do not have good digital access are left even further behind. For this

reason, we are refreshing our digital strategy and business case to refocus our priorities as we emerge from the pandemic and better prepare us, our residents and the businesses of Brent, for the future.

3.9 The draft strategy sets out how digital transformation can support the delivery of the five borough plan themes: strong foundations; every opportunity to succeed; a future fit for everyone, an economy fit for all; a cleaner, more considerate Brent; and a borough where we can all feel safe, secure, happy and healthy.

3.10 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 2019-23 digital programme. The OBC, appendix 2, sets out the potential costs and savings for the proposed programme alongside priority projects and technology investments.

3.11 Key benefit themes for the programme and the benefits underpinning them are below:

	Benefit theme	Supporting benefits
1	Customers are able to transact and participate securely, easily and conveniently in a way which meets their needs.	<ul style="list-style-type: none"> • Residents will be able to access more services online at a time and place that is convenient for them, and on a device of their choosing • Businesses will be able to access services in one place when and where it suits them • Enable greater access to services for residents who need more support as they can use trusted third parties to help them access their digital services • Quicker and easier access to information as a result to continuing website improvements • Save resident and officer time by using bio-metrics to prove identification, rather than relying on presenting documents in person
2	We are better able to use and share data to understand customers enabling us to deliver services which meet their needs and collaborate with partners.	<ul style="list-style-type: none"> • Improvement in performance information and data analysis will support planning, decision making and service improvements • The Data Lake will support predictive analytics, supporting early intervention and reducing demand on frontline practitioners • The increased ability to analyse communication with customers through chatbots will improve our understanding of issues and challenges impacting on residents

		<ul style="list-style-type: none"> We will be able to more efficiently support and communicate with business as all the data about them is in one place
3	We work more efficiently and effectively enabling staff to have the right tools and departments to realign resources to provide better services, and, deliver financial benefits and generate income	<ul style="list-style-type: none"> RPA will automate mundane processes, improve accuracy, increase speed, and save officer time Investment in EDM and Dynamics systems will reduce processing times (e.g. through enabling a single view of the customer) There will be income generation through commercial developments Savings will be generation through rationalisation of systems, reducing licensing and support costs Officer productivity will be improved by efficiencies in processing and ways of working e.g. new online forms Updating existing systems and ensuring they are secure will help avoid the cost of cyber-attack or data breach
4	Residents and businesses can access the right digital infrastructure and skills to succeed and innovate within a growing local economy	<ul style="list-style-type: none"> Full fibre roll outs will enable 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 Digital skills training will enable and increase residents' ability to access jobs and services Devices for every digitally excluded household will improve digital skills, increase residents' access to services, reduce social isolation, and increase access to employment and educational opportunities The business support fund will help support the local economy and jobs by bringing more businesses online and helping them connect with a wider customer base
5	We use technology to provide a healthier, safer, cleaner borough for residents to live in	<ul style="list-style-type: none"> 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

		<ul style="list-style-type: none"> • The Green500 programme with Microsoft will identify opportunities to roll out smart devices to help Brent to achieve its ambition of becoming carbon neutral by 2030.
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3.12 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.

3.13 Work on the programme to date has demonstrated that the appetite for digital transformation in the council is high and Brent is at the leading edge in relation to a number of aspects of its digital programme, including digital inclusion and its approach to data ethics. 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.

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

- The alignment of environmental contracts in 2023
- The Redefining Local Services Programme
- Shared Technology Services technology roadmap
- Brent Climate and Ecological Emergency Strategy
- Shared Technology Service Cyber Security Strategy.
- Brent's Cyber Security Strategy 2019-23. This strategy is currently being refreshed and will come to Cabinet shortly
- The requirement to provide more effective back office systems to drive more effective workforce management and development

3.15 The programme will also deliver a number of projects which have gained funding as recovery initiatives agreed by full Council in July 2021:

- Take Your Shot initiative to provide support to Brent start-up enterprises and entrepreneurs. It will support the Black Community Action Plan as there will be a particular focus on entrepreneurs from Black and Ethnic Minority groups.
- 296 digital packages for children and young people in Brent to assist them with accessing online learning at home and to improve their digital skills
- Local shopping app to support local businesses and to give residents access to a local online marketplace and e-commerce
- A business database which the council can use to conduct a strategic analysis of the Brent business base and to engage a wider number of businesses in our business support offer
- A pilot business support fund for 100 business. If the draft 2022-26 business case for the digital strategy is agreed, this will be rolled out more widely.

- 3.16 The business case is for an extension of the Digital Programme until 2026. Currently the final year of the Digital Programme is 22/23. A further £1m was agreed for 23/24 for work to close the programme and fully embed and maximise benefits from digital transformation. It is intended for this £1m to be brought forward to 22/23 be used to help support the roll-out of Office 365 (to improve collaborative working), as well as delivering the first phase of improvement work for Adult Social Care projects, and the replacement of systems for Planning. These two projects were submitted as recovering funding bids earlier this year and it was agreed that they would be taken forward as part of the next phase of the digital programme. The total cost for these projects exceeds £1m, but the 22/23-25/26 business case makes provision for future years.
- 3.17 Other work which will be included in the programme for 23/24 includes a new system for Private Housing, rationalisation of asset management systems and enhancements to the Dynamics system for Housing. Other key projects which are already included in the pipeline include new customer facing systems for environment services, supporting the redesigning local services project and work to build on CYP projects including the single view platform and pathways app.
- 3.18 The core capital investment required to deliver the new digital strategy is £9.3m over the programme period, starting from 2022/23. Total cumulative savings of £14.8m are forecast after year 4, with an estimated recurring annual saving of £3.9m after 3 years, based on new, enabling and efficiency savings. The planned end of the programme is March 2026.
- 3.19 Separately, £4.2m is sought for a Business Support Fund (£2.0m) and devices for digitally excluded households (£2.2m). These projects are currently being piloted using recovery funding and this investment will support the extension and development of these activities. The Business Support Fund which will give local businesses access to a digital device, Microsoft package, bespoke skills and training, a market place and E-Commerce platform. The devices project will provide a digital device for every digitally excluded household in Brent by 2025 (8,000 devices). This is in response to the Citizen Online report on digital inclusion in Brent and aligns with the London Recovery Board's Digital Access for all mission. These initiatives will result in significant economic and social benefits for the borough and will support recovery from the Pandemic, but the investment will not result in short time financial benefits for the Council.

Programme delivery

- 3.20 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:

Access

Improving access to information and resident's services. Making sure that council systems are easy to use for all residents

Digital Place

Having consistent technology and connectivity available to enable Brent to be a digital borough that is accessible for both businesses and residents. This includes improved access to public Wi-Fi for residents

Digital Inclusion

Identifying digitally excluded residents and providing access to devices and digital skills to enable all residents across Brent to safely participate in the digital world

Data and Smart Devices

Using our data to better understand our customers and improve the way we deliver services by making quick and robust decisions for residents.

Digital Workplace

Ensuring staff have access to technology that will enable them to work efficiently and to have the digital skills to effectively use existing and new technology

Governance

- 3.21 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

- 3.22 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 programme resources** –The programme will be temporary until spring 2026
 - **Cost of technology enablement** such as Dynamics, RPA, and EDM implementation support and data and security tools.
 - **Savings and income** – based upon the assumptions for headcount, third party savings, new revenue streams and cost avoidance/demand management.
 - **Savings** defined as **New** (i.e. not in current budget savings or plans), **Enabling** (i.e. supporting delivery of agreed savings targets, these projects give a further level of confidence to delivery), or **Efficiency** (i.e. providing opportunities for departments to increase efficiency which could include cashable savings to support delivery of new savings targets).

- 3.23 The programme additionally enables costs avoidance with service provision, which has not been included in the savings identified. The Business Support Fund will prevent some businesses from closing down, which will reduce the future support businesses and individuals need from the council in other ways. The analysis of data from the Data Lake will support early intervention, which will save costlier interventions further down the line.
- 3.24 The programme supports the generation of social investment. It provides a platform to gain money by bidding to funding programmes, and an opportunity to bring in money from partners donating to the programme. Previous examples include digital skills training for residents and staff and increased connectivity in the borough. In the absence of the social investment, the council would have to spend more money on areas such as connectivity, digital skills training and digital inclusion.
- 3.25 The table below summarises the cost benefit analysis over the programme period. In some instances the new investment gives greater confidence to previously identified savings (£0.9m of enabling savings for Customer and Digital Services), or continues work that is already taking place (licensing savings from rationalising IT applications). For other areas, the business case provides the investment to generate new savings through increased automation, more resource to focus on debt recovery and a greater opportunity to gain social investment. Through the programme, business cases will be developed for specific projects which are able to generate efficiencies through automation of processes and improving online interfaces and their integration with back office systems. The programme team and the Finance department will work with departments and services to identify and agree future savings to be delivered through digital technology. These will become part of the Medium Term Finance Strategy for 2023-26.

Digital programme 2023/24 - 26/27 ROI by theme (£ millions)					
Investment	23/24	24/25	25/26	26/27	Total
Access	2.25	1.38	0.30	0.05	3.98
Digital place	0.00	0.00	0.00	0.00	0.00
Digital Inclusion	0.01	0.02	0.02	0.00	0.05
Data and smart devices	0.35	0.40	0.15	0.00	0.90
Digital workplace	0.98	0.00	0.00	0.00	0.78
Building blocks	1.20	1.20	0.60	0.40	3.40
TOTAL COSTS	4.79	2.99	1.07	0.45	9.30

Savings/Income	23/24	24/25	25/26	26/27	Total
a)Savings (Enabling) CDS	0.98	0.98	0.98	0.98	3.90
b)Savings (New) Licensing, etc.	0.50	0.60	0.70	0.70	2.50
c)Savings (Efficiency) Automation and increased productivity	0.40	0.50	0.90	0.90	2.70
d)Income (New) Income via increased debt recovery through RPA and RAMS	0.60	0.60	0.60	0.60	2.40
e)Income (New) via commercial opportunities	0.10	0.20	0.20	0.20	0.70
f)Social investment received	0.70	0.70	0.70	0.50	2.60
TOTAL CUMULATIVE SAVINGS/INCOME	3.28	3.58	4.08	3.88	14.80
Annual Profile	(1.51)	0.58	3.00	3.43	5.50

3.26 The savings from the table above come from:

- a) Already identified savings for the Customer and Digital Services department, which the Digital Programme supports the realisation of.
- b) Savings from a reduction in licensing costs as the Digital Programme enables the council to rationalise the number of IT systems it uses.
- c) Productivity savings. An automated process which saves an officer time can be said to save x hours of officer time multiplied by the officer's hourly salary to reach a productivity savings figure. RPA, for example, saves an average of £11k p.a. per automated process. The programme team and Finance will work with departments to identify where these can be used to deliver cashable savings. These efficiencies can also be used to manage additional demand or to allow officers to take on additional or more value adding tasks.
- d) RPA and RAMS can facilitate the recovery of more debt for the council, therefore increasing the amount of income the council receives. For example, RPA can track find debtor information from other systems, whereas previously this was a time consuming process for officers.
- e) Income generation through selling support and development expertise gained during the Digital Programme to other councils and public sector organisations.
- f) Social investment in financial and non-financial forms from partners and funding organisations. For example, the provision of free digital skills training for residents and officers.

3.27 The annual savings figures of £1.6m in year 1, rising to £2.4m from year 3 (a total of all new and efficiency savings and income listed in the table above), will be included in the councils MTFS through cashable savings and/or reductions

in the need for growth via cost avoidance. The allocation of such savings will be allocated to departments through the detailed businesses cases.

3.28 The table below shows the investment required for the Business Support Fund and the devices for every household

Digital programme 2023/24 - 26/27 Business Support Fund and Devices for Every Digitally Excluded Household (£ millions)					
Investment	23/24	24/25	25/26	26/27	Total
Business support fund	0.50	0.75	0.75	0.00	2.00
Devices for every digitally excluded household	0.74	0.74	0.74	0.00	2.21
TOTAL COSTS	1.24	1.49	1.49	0.00	4.21

4.0 Financial Implications

4.1 The overall investment required is estimated at £9.3m over the programme period and will be funded from the capital programme. Separately, £4.2m is sought for a Business Support Fund and devices for digitally excluded households. Based on work carried out on the OBC to date, cumulative savings of £14.8m are forecast, which are a combination of new savings and enabling existing savings.

- Delivery of savings in Customer and Digital Services by using technology to support the realignment of services. These are already agreed savings targets and the Digital Programme's projects give a further level of confidence to delivery (£3.9m).
- Licensing savings from rationalising systems and replacing them with Dynamics, SharePoint or another system (these savings partly offset the new licensing costs required to support the technology being delivered through the programme). (£2.5m).
- Efficiency and productivity savings from online forms, RPA, chat bots, AI, machine learning, MyAccount, Dynamics, IoT and the data lake. Officer time is freed up by improving online forms and integrating into back office systems, removing unnecessary data entry and contact demand, and automating processes and responses to customer queries. These are cashable savings where departments choose to reduce headcount. Alternatively, they can allow officers to take on additional or more value adding tasks. (£2.7m)
- Increase in debt recovery via RPA and rent arrears through RAMS (£2.4m).
- Income generation through selling support and development expertise (£0.7m).
- Social investment in financial and non-financial forms from partners and funding organisations (£2.6m)

- 4.2 The annual savings figures of £1.6m in year 1, rising to £2.4m from year 3 (a total of all new and efficiency savings and income), will be included in the councils MTFs through cashable savings and/or reductions in the need for growth via cost avoidance. The allocation of such savings will be allocated to departments through the detailed businesses cases.

5.0 Legal Implications

- 5.1 A range of contracts for systems, support and devices will be required to deliver the Digital Strategy and Business Case. All such contracts will need to be procured in accordance with the Council's Contract Standing Orders and Financial Regulations and where over relevant thresholds, in accordance with the Public Contracts Regulations 2015.
- 5.2 As part of the Digital Strategy and Business Case, it is proposed to establish a Business Support Fund ("BSF"). The purpose of the BSF is to give local businesses access to a digital device, Microsoft package, bespoke skills and training, a market place and E-Commerce platform. The Council has the power to establish, administer and provide financial and other assistance to households and businesses pursuant to the general power of competence as set out in Section 1 of the Localism Act 2011.
- 5.3 Under the United Kingdom's Withdrawal Agreement with the EU, obligations such as those under the Treaty for the Functioning of the European Union continue to apply and require the council to deal with all potential recipients of support from the BSF in a fair, open and transparent way. Therefore, the council must advertise the availability of funds and assess potential recipients on predetermined and pre-advertised criteria applicable to all in the same way. Delegated authority is therefore sought for the Strategic Director of Customer and Digital Services in consultation with the Cabinet Member for Resources to establish suitable eligibility criteria.
- 5.4 Authority is sought for the Strategic Director of Customer & Digital Services to administer and award assistance under the BSF. The Strategic Director will need to administer and award assistance in accordance with the UK's subsidy control regime to avoid state aid issues.
- 5.5 An element of the Digital Strategy and Business Case is the better use and sharing of data. Local Authorities are under an obligation to ensure the fundamental rights and freedoms of natural persons; and in particular their right to the protection of personal data is complied with when sharing data. Implementation of the Digital Strategy will need to ensure each element complies with the requirements of the Data Protection Act 2018 and UK GDPR. Further, where the processing of personal data using new technology is implemented which is likely to result in a high risk to the rights and freedoms of natural persons, a Data Protection Impact Assessment (DPIA) will need to be undertaken addressing those risks.

6.0 Equality Implications

- 6.1 The Council must, in the exercise of its functions, have due regard to the need to:
- (a) eliminate discrimination, harassment and victimisation
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it,

pursuant to s149 Equality Act 2010. This is known as the Public Sector Equality Duty.

- 6.2 Under the Public Sector Equality Duty, having due regard involves the need to enquire into whether and how a proposed decision disproportionately affects people with a protected characteristic and the need to consider taking steps to meet the needs of persons who share a protected characteristic that are different from the needs of persons who do not share it. This includes removing or minimising disadvantages suffered by persons who share a protected characteristic that are connected to that characteristic.

- 6.3 The Public Sector Equality Duty covers the following nine protected characteristics: age, disability, marriage and civil partnership, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

- 6.4 There is no prescribed manner in which the council must exercise its public sector equality duty but having an adequate evidence base for its decision is necessary. Cabinet is referred to the contents of this report for information, in particular the Equality Impact Assessment that has been carried out for the draft Digital Strategy 2022-26 and is included at Appendix 4.

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 informed the development of the strategy. For example, residents have fed into plans for the website, giving their views through surveys and interviews. We have also worked closely with Brent's voluntary and community sector on Brent's Digital Inclusion Action Plan.

8.0 Human Resources Implications

- 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, Customer and Digital Services