



CABINET

Subject Heading:

Digital Portfolio Business Case

Cabinet Member:

Councillor Damian White, Leader.

SLT Lead:

Jane West, Chief Operating Officer.

Report Author and contact details:

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Policy context:

The Digital Portfolio will support the strategic overview, consolidation and delivery of the Council's digital and efficiency aspirations as set out within the "Connections" objective of the Havering Vision and Corporate Plan.

Financial summary:

Multi-year commitment in principle of additional capital to £30m with a Year 1 fixed commitment of £6.3m above existing IT capital budget allocation.

Is this a Key Decision?

Yes, (a) Expenditure or saving (including anticipated income) of £500,000 or more

When should this matter be reviewed?

January 2021

Reviewing OSC:

Overview and Scrutiny Board

The subject matter of this report deals with the following Council Objectives

Communities making Havering
Places making Havering
Opportunities making Havering
Connections making Havering

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SUMMARY

The London Borough of Havering is ambitious about its future and has a moment-in-time opportunity to become a borough empowered by digital, technology and data.

The Digital Portfolio Business Case, attached at **Appendix A**, brings together all current and future technology and digital transformation projects into a single pane of view, clearly setting out how advances in the application of digital, data and smart technologies will help to shape the digital future of our borough.

Residents, businesses, workers, and visitors in the London Borough of Havering rightly expect their interactions with the Council and their experience in and around our borough to be as straightforward, connected, and convenient as the very best of their experiences elsewhere. Council employees have a similar expectation of the tools they use to do their jobs and at an organisational level, there are political and financial imperatives to operate as efficiently as possible.

The impact of the Covid-19 pandemic has brought with it new opportunities and challenges. These include significant changes to how we work as an organisation, and how our residents, business and potential partners need to engage with us using technology. As a local authority with mandatory responsibilities to our residents, functioning during this period of immense uncertainty coupled with an explosive demand for digital technologies, service design and provision required a significant pivot in the way the Council is managed. The business case describes significant opportunity for the Council to build on and consolidate the initial rapid response to these responsibilities and expectations by:

1. Outlining a wider vision/opportunity for the role of digital in order to improve services to (and the experience of) the people that live and work here, as well as businesses and visitors.
2. Bringing together all the previous projects/investments and new requirements for using technology, to help us realise our ambitions for the borough in a consistent, strategic way.
3. Demonstrating how these investments are aligned to - and will enable - the Council's wider ambitions for change, including the Mid Term Financial Strategy (MTFS), Transformation and improvement objectives.

This report presents the Digital Portfolio business case and seeks an immediate commitment to fund the Phase 1/ Year 1 activities as set out, at an additional value of £6.3m above the existing IT capital budget allocation. The requested funding will ensure appropriate resourcing for project definition and appropriate scrutiny of all future portfolio proposals.

It will also enable further discovery and feasibility work to be undertaken, to complete more detailed business cases for each programme proposed within the Digital Portfolio. There are associated business cases, with defined budgets, which will seek separate approval.

Funding will ensure the critical and core network and data centre for the organisation is brought up to specification and will enable the organisation to operate on a stable and secure IT infrastructure.

RECOMMENDATIONS

It is recommended that Cabinet:

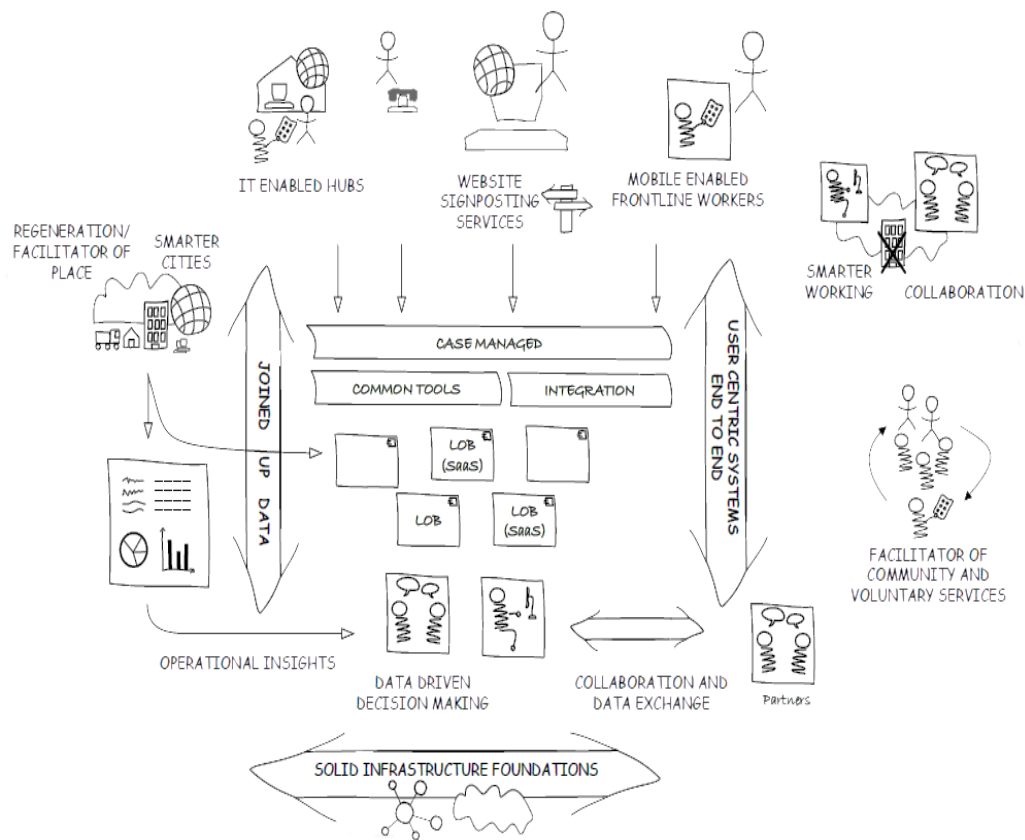
1. **approve** the release of additional capital funding of £6.3 in Year 1, as part the 2021/22 Budget Medium Term Financial Strategy, to resolve urgent technical needs and begin to prioritise and deliver further enabling projects for the support of ongoing transformational and enabling Digital programmes of work; and
2. **approve** the direction of travel set out in the Digital Portfolio Business Case, attached at Appendix A, to allow the development of an extensive infrastructure renewal programme and the development of the Digital Portfolio for the benefit of stable, secure and enabling technologies to be realised throughout the borough, realising positive step change for corporate functions, as well as residents and businesses in the community. direction of travel as set out in this Digital Portfolio Business Case, to allow the development of an extensive infrastructure renewal programme and the further development of the Digital Portfolio for the benefit of stable, secure and enabling technologies to be realised throughout the borough of Havering, realising a significant and positive step change for corporate functions, as well as residents and businesses in the community.

REPORT DETAIL

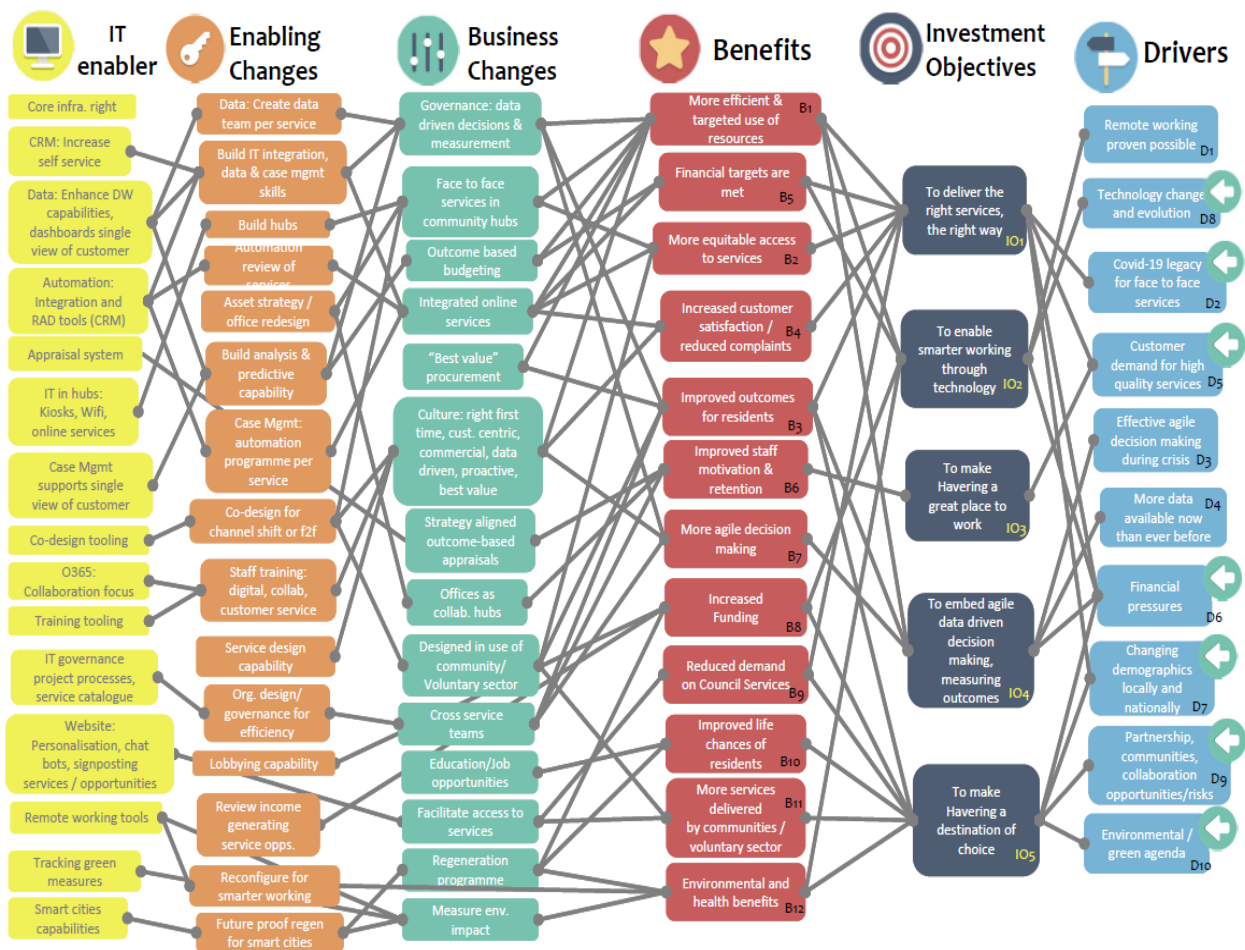
1. Through engagement with colleagues throughout the organisation and with the Council's residents, business and voluntary sector partners over the past 18 months, officers have developed a Target Operating Model and proposed Target Technical Architecture, which is people and value centric. An effective and sustainable approach to technology and digital architecture which supports this approach, provides a clear pathway to the realisation of major benefits. Resident data can be joined up, organisational silos will be reduced and the plans that services have to deliver benefits and outcomes such as financial savings and improved customer experiences, will be enabled by the technology which underpins the Council's vision.

2. The business case aligns to this “Target Architecture” and ensures that the capabilities required for the Council to deliver on its ambitions are identified and are delivered through the investment requested.
3. A conceptual target architecture (shown below) is a high level view of where the organisation is heading and what IT is needed to get there.
4. This architecture is intended to deliver across a number of broad themes to ensure initiatives have scalable and measurable benefits for the London Borough of Havering:
 - Customer, Case Management, Automation
 - Website
 - Data
 - Collaboration
 - Infrastructure
 - Networking
 - Iteration and innovation
5. Details on these themes are included in Background papers *Enterprise Architecture Roadmap*
6. The key requirements for these 7 architectural themes have been considered as part of the commitment sought for the long term Digital

Portfolio.



7. This diagram highlights key drivers and investment objectives necessary to deliver transformative changes for the London Borough Havering. These changes in turn can be underpinned by IT enablers. By building the target architecture, alongside the strategic direction of the Council, officers were able to define what the Application and Technology estate currently looks like.
8. Over the course of the past 18 months, working across the organisation officers have mapped high level benefits/outcomes to be achieved. This has enabled the creation of a Council-wide benefits dependency network (BDN) for the Council.
9. The following diagram identifies business changes required where there are no current projects and or capabilities in the Council. The proposed programmes and investment that form this Digital Portfolio address these gaps, with direct connection to the benefits that the organisation is trying to achieve.



10. Currently none of the benefits have been baselined and will require validation if they are to be tracked, monitored and reported on effectively. Benefit profiles will be developed as part of the individual project/programme business cases.

11. The Digital Portfolio's objectives are to:

- Stabilise and rationalise Havering's current technology ecosystem
- Create the various enabling digital and data capabilities (people, skills, technology, data, and processes) for the organisation to deliver its corporate strategy (including recovery) and the MTFS.
- Promote and experiment with disruptive approaches to working with our residents, businesses, and communities in new ways.
- Challenge traditional approaches to the delivery of services by using digital tools and ways of working to unlock our organizational capacity to execute much more high value activity
- Encourage bolder and informed risk management mind-set to realise this change
- Become much more customer-centric, placing the user at the centre of service design.
- Improve employee satisfaction and morale by providing the appropriate tools, empowerment and choice to the way work is done.

- Reduce the overall cost of services and property using technology
- Reduce the risk of technology failure impacting service delivery.
- Provide the enabling environment (e.g. connectivity, skills) for economic growth in the digital, technology and data sectors.
- Expand flexible connectivity options for resident and user alike, increasing access to services by “lighting up” the borough
- Reduce the risk of data breach or data release by improving core connectivity and security as well as improving the connections to all users, irrespective of connection platform

12. The overall objective of this Digital portfolio of works is to ensure that the outcomes for all consumers of Council services, either as resident or worker, is measurable, sustainable and supported by the ongoing operating model for the London Borough of Havering. These will be supported by evidential review prior to their delivery, and evaluated for their confidence and competence as supportable service throughout the portfolio lifecycle.

13. In order for the success of the Digital Portfolio initiatives, “collaboration toolkits” will be developed to enable a self-sustainable organisation, in partnership with a network of organisations throughout the borough. These will ensure that, however residents are supported, the Council can offer support and innovation in the future. By training, informing and equipping ourselves and our partners with focused digital products, the objective is to deliver excellence to the borough.

14. It is proposed to structure the Digital Portfolio into the following themes and simplify the governance:

- *Fixing the Plumbing*
- *Unleashing Havering*
- *Pushing the Boundaries*

15. The Digital Portfolio outlined below includes both new opportunities and existing in flight projects/programmes that have already had funding allocated. They have been grouped under the three themes (see above) and have been phased to address the Council's priorities.

High priority - the borough must undertake these projects/programmes to maintain current service levels and/or enable delivery of savings. Failure to do so would expose us to significant risks and would result in the Council being unable to maintain current performance levels and/or manage expected growth in future demand.

Medium priority - projects and programmes that would significantly increase the performance of the Council in several areas. Failure to undertake these projects/programmes would result in performance and productivity stagnating.

Low priority - Ambitious new projects/programmes that are further down the pipeline and could be undertaken once the high priority projects/programmes have been completed.

A breakdown of the relevant themes is available in Appendix A.

REASONS AND OPTIONS

Reasons for the decision:

Residents, businesses, workers, and visitors in the London Borough of Havering rightly expect their interactions with their council and their experience in and around our borough to be as straightforward, connected, and convenient as the very best of their experiences elsewhere.

Council employees, too, have similar expectations of the tools they use to do their jobs. At the organisational level, there is a political and financial imperative to operate as efficiently as possible.

The tragedy of the Covid-19 impact has also brought with it new opportunities. These include significant changes to how we work as an organisation, and how our residents, business and potential partners need to engage with the Council using technology.

This portfolio supports our significant opportunity to respond to these expectations by:

- Outlining a wider vision/opportunity for the role of digital in order to improve the lives of the people that live and work here as well as businesses and visitors.
- Bringing together all the previous projects/investments and new requirements for using technology to help us realise our ambitions for the borough.
- Demonstrating how these investments are aligned and enable the Council's MTFS/transformation and change objectives.

This document has been constructed through engagement over the last 18 months, identifying the borough's needs and the role of technology in enabling a response to those needs. Through significant analysis and research, with services, a portfolio of activities have been defined and collated – some addressing immediate need and others thinking long into the future.

Phase 1 addresses immediate needs including significant security risks and provides key IT building blocks for the capabilities the organisation needs to deliver its planned MTFS and transformational changes. This phase is crucial to stabilizing Havering's technical ecosystem and as such, these changes are essential rather

than aspirational. This activity will help to bolster our information security, protecting our systems and tools on-prem, in the cloud and remote against cyber-attacks. Moreover, it will facilitate support of the future Target Operating Model, which as part of the global impact of Covid, will be heavily reliant on ICT.

Other options considered:

Do Nothing – In the even that this business case is not be funded the result will be a significant deficit in the digital capabilities of the council as a whole, for resident and service provider alike.

Without these investments the Council will retain current infrastructure issues, with result being a failing technical stack and individual project mandates and funding streams executed in an ad-hoc manner to meet disparate emerging and urgent needs.

Systems vulnerabilities will persist and escalate leaving Havering exposed in terms of both information security and cyber security. Our technical ecosystem will become increasingly prone to outage and extremely vulnerable to cyber criminals and external manipulation – with increasing likelihood of security breaches, cyber-attacks, loss of trust and the accompanying ICO fines as a result.

Existing services will falter, with regular service failure and reduced access to IT. In addition digital poverty and exclusion within the borough will increase, leaving Havering's community unable to participate in the digital economy and the Council unable to take advantage of the strategic, efficiency, experiential and commercial opportunities that such investment would grant.

Separated IT and Digital portfolios – Separate funding streams, with no consolidated governance. Separation of enterprise architecture and a lack of inter-connected data and opportunity mining.

IMPLICATIONS AND RISKS

Financial implications and risks:

The following section breaks down further the investment required in Phase 1 Year 1. There are additional requirements which are related to ensuring the IT estate is managed and maintained.

Phase 1 is the immediate request for funding to undertake the high priority activities and the part funding for new activities.

This document requests immediate commitment to year 1 activities at an additional value of £6.3m above existing IT capital. This funding will also ensure appropriate resourcing for project definition and appropriate scrutiny of all future portfolio proposals. Details for years 2022/23 to 26/27 are set out in Appendix A – The Digital Portfolio Business Case.

		20/21 (current year)	21/22
		Year 0	Year 1
Project Name	Funding Status	Capital	Capital
Portfolio Team	New funding	<u>£ 70,000</u>	£ 517,500
Portfolio Overhead		£ 70,000	£ 517,500
Cyber Security	Requested	<u>£ -</u>	£ 200,000
Data Centre & Core Network Refresh	Requested	<u>£ 500,000</u>	£ 3,500,000
Platform	Requested	<u>£ -</u>	£ 400,000
Integration	Requested	<u>£ -</u>	£ 500,000
<u>MS Tenancy</u>	<u>Funded</u>	<u>£ 300,000</u>	<u>£ -</u>
Device Refresh	Requested	<u>£ -</u>	£ 100,000
Teams Telephony	Requested	<u>£ -</u>	£ 150,000
Evergreening Capital	Requested	<u>£ 300,000</u>	£ 1,107,500
<u>Audio Visual</u>	<u>Separate BC</u>	<u>£ -</u>	<u>£ 250,000</u>
Organisational Data Capability	Requested	<u>£ 30,000</u>	£ 480,000
<u>CRM</u>	<u>Separate BC</u>	<u>£ 1,551,373</u>	<u>£ 1,806,575</u>
Business Systems and BI & Analytics	Requested	<u>£ -</u>	£ 100,000
<u>Smart Working+</u>	<u>Separate BC</u>	<u>£ 1,226,500</u>	<u>£ 1,665,500</u>
Fixing the Plumbing Total		£ 3,907,873	£ 10,259,575
Borough Wide Connectivity	Requested	<u>£ -</u>	£ 250,000
Chatbots-Green waste	Requested	<u>£ -</u>	£ 45,000
RPA-Automation Bots	Requested	<u>£ -</u>	£ 45,000
User Centred Design Capability	Requested	<u>£ -</u>	£ 25,000
Unleashing Havering Total		£ -	£ 365,000
Digital Portfolio Total		£ 3,977,873	£ 11,142,075
Existing Capital Commitment			£ 1,120,000
Alternate Funding total		£ 3,977,873	£ 3,722,075
Digital Portfolio Capital request		£ -	£ 6,300,000

**The underlined requests indicate separately costing, and funded items. These business cases have or in the future will be presented, but are recognised here as part of this governance portfolio.*

Fixing the plumbing

Over the next 5 years, The *Fixing the Plumbing* theme requires nearly £30 million in new capital investment. The vast majority of this investment is needed to stabilise crucial elements of the Council's technical infrastructure and replace burning platforms. The investment will facilitate significant revenue savings over the medium-term in the form of efficiency gains, reduced costs, process rationalization, economies of scale and cost mitigation. The nature and amounts of these savings are still being calculated and will be built into the MTFS in due course.

Importantly, the first 2 years of investment will deliver a reliable and secure core IT infrastructure and reduce the current significant risk the borough has relating to cyber-attack and information security.

It will also deliver new capabilities to the business, which should release further cashable savings and these will be incorporated into the full business cases of the new projects/programmes.

Unleashing Havering

The Unleashing Havering theme requires £1 million in investment and is forecasted to release further savings. There are significant opportunities for further savings through digitisation and automation across all parts of the business, but these require fuller assessment and validation.

These opportunities should be identified in other programmes such as the service redesign programme, which will realise savings to operational and commissioning services' costs. To avoid the double counting of benefits, these potential benefits will be included other programme business cases.

Pushing the Boundaries

Initial concepts on how Havering can "push the boundaries" with its digital presence are derived from multiple sources.

By reviewing the strategic aspirations of the borough overall, analysing our peer organisations, as well as comparing this with the technical "art of the possible", a broad range of concepts and opportunities have been identified as warranting further investigation.

These require in-depth analysis and validation, which will be provided as part of the portfolio lifecycle, with the return on investment for the borough as a whole presented via separate business cases.

The Digital Portfolio will engage with residents, business and stakeholders to enable a transformative suite of initiatives throughout the borough over the next 5 years.

However, it is important to note that at this time, with urgent technical projects underway to support the Coronavirus pandemic effort, any indicative benefit analysis may be misleading and all savings targets and benefits will be re-validated within each individual project scope at the time of commencement, based on the circumstances and parameters in place at the time.

Legal implications and risks:

There are no apparent and/ or direct legal implications related to this report. Substantive decisions on spend including any connected procurement activity will be the subject of separate governance arrangements, in line with the procedures set in the Constitution.

Human Resources implications and risks:

There are many potential implications for HR as technology unlocks several significant opportunities for efficiency and innovation. Technological advancements will help to improve the way we contact and interact with employees, provide policy and corporate communication information, store corporate files and manage and evaluate employee enquiries, support and performance.

Utilized properly, technology can make HR more systematic, organised and efficient. One of the most obvious advantages of using technology is that communication can be instantaneous and en-masse; moreover, integrated systems can enable HR to better analyse employee data, improving the analysis of KPI's.

Recruitment, on-boarding and retention can be vastly improved as instantaneous access to information, guidance, policies and colleagues is facilitated. Moreover, implementation of digital HR service desks can promote self-service and ease the burden on compact HR functions, whilst providing employees with a personalised experience.

Having data in the cloud does mean we must also invest in robust firewalls and anti-malware to protect against malicious cyber-attacks and data breaches, but the benefits and efficiencies of working in a digital way are a requirement in contemporary society and often far outweigh the risks.

The trust and flexibility unlocked as a result of remote working during the pandemic has shifted the understanding of the traditional 9am-5pm working day and as we navigate through the digital portfolio projects and programmes we may formally explore the opportunities technology provides to move from the office-based model to a flexi, self-managed 24/7 working with a focus on output and quality rather than time and duration.

In terms of concerns, there are modest emerging fears that technology will take over the need for certain human roles. However, technology does not match human decision-making skills and empathy. Rather, the way in which digital

change is deployed removes the burden of laborious data-entry type tasks, freeing resources up to undertake better-suited tasks. The Digital Portfolio Director will work with leadership, service heads and key stakeholders to understand any such fears or misconceptions by creating a strategy/plan to address the necessary organizational culture change associated with sustained and iterative digital and technological transformation.

The Digital Portfolio Director will also work closely with the HR and the corporate communications teams to address any concerns raised by employees, services or trade unions. There will be a communication and engagement plan drafted to ensure that colleagues and key stakeholders are apprised at key stages of the portfolio rollout and that any emerging workforce planning or resourcing implications are addressed in collaboration with Directors and Service Heads and Service Managers. There will be digital champions identified from within each service block to act as both activators and spokespeople throughout the projection definition, discovery, design, build and deployment services to ensure programmes, projects and platforms are designed in collaboration with service leads so that positive impacts are maximised and negative implications mitigated, with opportunities created for employees and services to raise any concerns so that they may be addressed.

The strategic and technological significance of the current urgent and future potential projects listed within this portfolio over a wide timeframe may have multiple impact on job roles within multiple or the same teams at different times. Access to better, quicker, secure and stable tools, system integration which results in the reduction of re-keying and even real-time digital resident engagement and feedback are some such examples. It is also clear that the upgrade of existing/implementation of new systems and functionality will result in the need for staff training and empowerment but this in turn also unlocks our appeal as an attractive, skilled and technically enabled borough which could lead to broader, more competitive national pay structures. The portfolio lists an overarching Training Needs Analysis for employees within the initial '*Fixing the Plumbing*' Phase, but there will also be service-specific and project-based training that is designed and provided as core programmes such as CRM and Smart Working+ are completed, to ensure employees can make the most of all new technology at hand.

It's also worth noting that this level of collaboration and engagement may result in costs to the organization in addition to those currently identified within the portfolio. These could include things like stakeholder time in collaborating, prioritizing, planning, testing and supporting the delivery of programmes and projects within the digital portfolio as well as any potential workforce planning, efficiency realization or resultant restructuring at an individual/team/service/directorate/organisation levels across the 6-year time frame. The Digital Portfolio Director will work closely with HR and service stakeholders, employees and subject matter experts to align outcomes with Havering's People Strategy and assess emerging impact and opportunities as each phase of projects and programmes within the Portfolio is unlocked for delivery.

Lastly, all HR implications will be managed in accordance with the Council's HR policies and guidance.

Equalities implications and risks:

There are almost no identifiable equalities risks. To the contrary, the technical and digital programmes identified in the Digital Portfolio Business Case provide Havering with a wonderful opportunity to remove barriers.

Services, resources, information and guidance can often be made available at the touch of a button, on demand - beyond the standard 9-5 operating hours, which compliments all existing services.

Human bias is removed from the equation for the large part and any bias risks attributable to emerging technologies such as Robotic Process Automation will be tested and properly monitored and evaluated for bias mitigation purposes.

Health and Wellbeing implications and risks

The wider expansion of Havering's digital capabilities, both within the organization and as a servant to the community, will ensure a reduction in Digital poverty for all service users. This will lead to:

- Increased access to services through digital innovations,
- Agile approaches to service provision ensuring in time delivery of social and health benefits from the Council and partner organisations
- A stable, sustainable platform of digital products supporting the Council's delivery of services

Through increased connectivity throughout the borough over a 6 year period, connectivity for "Internet of Things" devices which can support assistive living for older and vulnerable residents can increase and improve their safety and access to healthcare environments, either digitally or through increasing automated services.

This report recommends complimentary and supportive strategies to existing service access and is not intended to identify direct replacement. This will ensure all residents, including those with specific vulnerability needs, have access to services through multiple channels. Digital services will also be considerate to all resident for their access needs.

Moreover, during this time of remote and digital operation, the COVID Pandemic has made it clear that local government has a key role to play in the accessibility of services as well as the physical and mental wellbeing of all employees and residents. Through informative, innovative communication channels, hosted via multiple digital tools and platforms, the Council aims to ensure all service users are supported appropriately, in good time and with the associated investment. Needs will be assessed as work is undertaken to ensure all users are considered and negative impacts mitigated entirely or heavily reduced so that Havering residents have equal access to services. This will take various forms, ranging from things like awareness promotion, design by the exception method, skills development and

support in accessing digital services to ensure equality and inclusion in access to services.

The portfolio includes specific projects to address user-centred needs and digital inclusion which will ensure that the impact on Havering's older population and vulnerable groups including residents with English as a 2nd language and those with accessibility difficulties or learning disabilities who might otherwise be digitally challenged will not be left behind. Whilst digital-first options and digital adoption will be encouraged, we will ensure that there is always a means for truly vulnerable groups to obtain the support they need. Wherever possible we will also ensure we employ user-profiling, resident participation, community collaboration and user-testing in the design, deployment and iteration of services to address any challenges which arise. These mitigations will reduce any identified negative impact and strengthen the overwhelmingly beneficial changes that will be the result in the realisation of the projects and ambitions stated within the Digital Portfolio.

Further clarity on specific outcomes and approaches is accessible within the Full Digital Portfolio Business Case and an Equality Health Impact Assessment has been completed and is attached at Appendix B.

BACKGROUND PAPERS

None