

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

REPORT TO FINANCE, ASSETS AND PERFORMANCE SCRUTINY COMMITTEE

Date 19th September 2019

Report Title: Digital Strategy – Outline Business Case
Submitted by: Head of Digital and Customer Services
Portfolio: Corporate and Service Improvement, People and Partnerships
Ward(s) affected: All Indirectly

Purpose of the Report

This report provides an overview of the draft Outline Business Case that underpins the digital strategy considered by Cabinet on 4th September 2019.

Recommendations

- 1) For Scrutiny to note the contents of this report.
- 2) For Scrutiny to provide views and recommendations on the Outline Business Case.

Reasons

The Digital Strategy sets out how we as a Council intend to ensure that our residents, businesses, partners and visitors can maximise the opportunity that digital delivery presents. The Outline Business Case summarises the rationale for change and the potential costs and benefits of undertaking the proposed programme of work to deliver the digital strategy. Scrutiny of project proposals and supporting business cases are part of sound project governance and ensure the effective use of Council resources.

1. **Background**

- 1.1. On 4th September 2019 Cabinet agreed to adopt a digital strategy for Newcastle-under-Lyme and establish a dedicated team to deliver a digital programme over a 3 year period, aligned to the Council's key priorities and overseen by an ICT and Digital Steering Group chaired by the portfolio holder for Corporate and Service Improvement, People and Partnerships. The strategy is attached at Appendix 1.
- 1.2. This report presents the draft Outline Business Case that supports the digital strategy. The Committee are invited to provide views and recommendations on the draft OBC.

2. **Summary Of The Outline Business Case**

- 2.1. The Outline Business Case at Appendix 2 provides an overview of the rationale for change and the potential costs and benefits of undertaking the proposed programme of work to deliver the digital strategy. The benefits described are based on available information from other organisations and are indicative only at this stage.
- 2.2. **Strategic Case** – This section of the OBC outlines how the strategy will support delivery of the Council's key priorities and the strategic opportunity offered by digital and identifies Okey stakeholders.

2.3. **Commercial Case** – The commercial case outlines the financial rationale for change and describes how the strategy will contribute to the long term financial sustainability of the Council by enabling efficiency savings and income generation. Examples of digital initiatives undertaken in NULBC and other authorities are given to provide an indication of the potential scale of financial benefits.

2.4. **Economic Case** – The economic case outlines the scale of investment required in order to deliver the digital programme and associated benefits.

2.4.1. In summary, it is anticipated that over the initial three years of the programme, headline investment of £919,800 will be required to cover the core work components, predominantly staff costs. The majority of these costs can be met from existing budgets. However, a contribution of £100,000 per annum will be required in each of the next 3 years to cover the costs of a dedicated Digital Business Manager and Business Process Engineer.

2.4.2. There will also be costs for technology, development and specialist external input. These will be considered on a case by case basis to determine whether they can be justified based on the anticipated financial and non-financial benefits.

2.4.3. The overall aim of the programme is to realise ongoing efficiencies that are cumulatively in excess of programme costs and can be released to support the MTFS.

2.4.4. Critical Success Factors that define the overall performance of the programme include customer experience, channel shift, financial efficiencies, community impact and workforce enablement.

2.5. **Financial Case** – The financial case sets out two broad categories of financial benefit that the programme will enable.

2.5.1. Enhancement Initiatives will contribute to the delivery of greater savings, cost avoidance, enhanced income generation and/or better outcomes at no additional cost from existing Council projects. New Initiatives are additional projects that seek to capitalise on digital opportunities to generate efficiencies or improve service quality at no additional cost.

2.5.2. Examples of benefit opportunities are provided including citizen self-service, enhanced mobile working and value added services, robotics and artificial intelligence, digital skills and infrastructure.

3. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

3.1. The digital strategy and supporting Outline Business Case supports and is aligned to all Corporate Priorities.

4. **Legal and Statutory Implications**

4.1. Elements of the proposed work streams are affected by the following legislation:

- a) General Data Protection Regulations
- b) Privacy and Electronic Communications Regulations
- c) Data Protection Act

4.2. The full legal implications of any Digital Delivery strand will be fully explored as part of the development process.

5. **Equality Impact Assessment**

5.1. Full Equality Impact Assessments will be prepared on a case by case basis for any change proposals that arise from the digital delivery programme.

6. **Financial and Resource Implications**

- 6.1. The financial implications of establishing a core digital delivery programme team and the associated benefits are detailed in the Outline Business Case. Subject to approval of the Outline Business Case a detailed programme of work supported by a full business case will be developed allowing funding requirements and projected benefits to be incorporated into the Medium Term Financial Strategy.
- 6.2. Financial or resourcing requirements for specific Digital Delivery initiatives beyond the core programme funding will be supported by separate business cases and considered on a case by case basis.
- 6.3. Any staffing impact associated with change proposals that arise from the digital delivery programme will be subject to consultation with employees and the trade unions in accordance with the Council's organisation change policy and procedure.

7. **Major Risks**

- 7.1. Specific risk profiles will be delivered for each of the programmes initiatives. However, significant risks include:
 - **Data Management**
Each new service will involve the processing of significant personal information. This must be appropriately managed and protected as a legal obligation.
 - **Failure to Deliver**
The Council is considering a very significant programme of transformation and this inherently carries a risk that all outcomes will not be delivered. However, the proposed team structure and governance arrangements are expected to mitigate this as much as possible.
 - **Lack of Support**
Any programme of significant change will result in a degree of resistance. The Council must manage this appropriately to ensure the Digital Delivery programme generates the anticipated service improvements.
 - **Savings Fail to Materialise**
Whilst specific savings will be quantified on a case by case basis, there is a combined risk that a lack of support from the organisation and the failure of the digital team/service areas to deliver change will prevent these savings from being realised.

8. **Key Decision Information**

- 8.1. Not applicable – no decision required.

9. **Earlier Cabinet/Committee Resolutions**

- 9.1. 04/09/2019 – Cabinet, [Digital Strategy and Outline Business Case](#)
18/01/2017 – Cabinet, [Digital Delivery of Services](#)

10. **List of Appendices**

- 10.1. Appendix 1 – Draft Digital Strategy
Appendix 2 – Draft Outline Business Case