

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO CABINET**

16 October 2019

Report Title: Digital Strategy – Final Outline Business Case

Submitted by: Interim Director of Resources and Support Services

Portfolios: Corporate and Service Improvement, People and Partnerships

Ward(s) affected: All

Purpose of the Report

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

Recommendation

That Cabinet approve the final 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.

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.
- 1.2. The draft Outline Business Case was considered by Finance Assets and Performance Scrutiny Committee on 19th September 2019. This report summarises the views of that Committee and presents the final Outline Business Case that supports the digital strategy.

2. **Issues**

- 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 0key 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. 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.
- 2.5 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.
- 2.6 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.
- 2.7 Critical Success Factors that define the overall performance of the programme include customer experience, channel shift, financial efficiencies, community impact and workforce enablement.
- 2.8 **Financial Case** – The financial case sets out two broad categories of financial benefit that the programme will enable.
- 2.9 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.
- 2.10 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.
- 2.11 The draft Outline Business Case was considered by Finance Assets and Performance Scrutiny Committee on 19th September 2019. The Committee asked for assurances that when change proposals arising from the digital programme put members of staff at risk that there was a HR Strategy to support them. Officers confirmed that all change proposals will be subject to consultation with affected employees and the trade unions and implemented in accordance with the Council's organisational change policy. This includes consideration of redeployment opportunities.
- 2.12 The Committee also sought assurances that in implementing the strategy appropriate weight would be given to the social context and the issue of digital exclusion. Officers confirmed that digital inclusion is a key pillar of the strategy with its own work stream within the delivery programme. There is no intention to remove non-digital customer contact channels such as telephone and face to face and there will be engagement at an early stage with excluded residents and other agencies to ensure accessibility of services.

3. **Proposal**

- 3.1 Cabinet are asked to endorse the final Outline Business Case. Next steps will be to develop a detailed programme of work supported by a Full Business Case. This will pass through a second approval gateway via the ICT and Digital Steering Group before coming back to Cabinet for final approval towards the end of 2019/20.

4. **Reasons for Proposed Solution**

- 4.1 Approval of the final Outline Business Case is necessary before work can commence on developing a detailed programme of work to deliver the Digital Strategy.

5. **Options Considered**

- 5.1 Cabinet could decide not to endorse the final Outline Business Case. However, this would delay the development of the digital delivery programme and Full Business Case.

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

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

7. **Legal and Statutory Implications**

7.1 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

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

8. **Equality Impact Assessment**

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

9. **Financial and Resource Implications**

9.1 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.

9.2 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.

9.3 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.

10. **Major Risks**

10.1 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.

11. **Sustainability and Climate Change Implications**

10.1 None.

12. **Key Decision Information**

11.1 The digital strategy will affect all wards in the borough. The level of programme expenditure and associated savings will be significant and approval of the Outline Business case will be a key decision.

13. **Earlier Cabinet/Committee Resolutions**

13.1 4th September 2019 – Cabinet [Digital Strategy and Outline Business Case](#)
18th January 2017 – Cabinet [Digital Delivery of Services](#)

14. **List of Appendices**

Appendix 1 – Digital Strategy Final Outline Business Case

15. **Background Papers**

14.1 None