Inverclyde council

Report To:	**Policy & Resources Committee**	**Date:**	**15 August 2023**
Report By:	**Head of Legal, Democratic, Digital & Customer Services**	**Report No:**	**LS/070/023/IS**
Contact Officer:	**Iain Strachan**	**Contact No:**	**01475 712710**
Subject:	**Digital Modernisation Programme Update**		

1.0 PURPOSE AND SUMMARY

1.1 ☒For Decision   ☐For Information/Noting

1.2 The purpose of this report is to update the Committee on the work of the Council's Digital Modernisation Programme. This report also seeks Committee's approval of the proposed upgrade of the Verint customer service system, and associated funding from the Digital Modernisation Earmarked Reserve, and the granting of delegated authority to the Chief Executive to approve the use of funds from the Digital Modernisation Earmarked Reserve up to a level of £100k for each such use, subject to regular updates on progress and deliverables.

1.3 The Council allocated a further £1.0million to support Digital Modernisation as part of the March 2023 Budget. This created a £1.25 million fund which is being managed by the Digital Modernisation Programme Board, chaired by the Chief Executive.

1.4 Work is ongoing to identify and prioritise projects and this exercise will include a session for senior officers facilitated by the Improvement Service. Projects are expected to be a mix of upgrades and replacement of existing systems plus expansion of online service delivery and digitisation. Updates will be provided no less frequently than every second Committee.

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee note the update on the work of the Digital Modernisation Programme, and the projects within it.

2.2 It is recommended that the Committee approve the upgrade of the Verint customer service system, and the use of £101,450 from the Digital Modernisation Earmarked Reserve for the delivery of this, as detailed at paragraphs 4.4 to 4.7 of this report.

2.3 It is recommended that the Committee note that work is underway to scope out the Council's requirements for an HR & Payroll System(s), and what the options for that might be, in both the short and longer-term, and once this work has been completed an update will be provided in a future report to the Committee.

2.4 It is recommended that the Committee note the consolidation of earmarked reserves, as set out at paragraph 4.10 of this report.

2.5 It is recommended that the Committee agree for delegated authority to be granted to the Chief Executive to approve the use of funds from the Digital Modernisation Earmarked Reserve up to a level of £100k for each such use, and subject to the same being reported back to the Committee for noting.

2.6 It is recommended that the Committee note the update on the work of the Council's ICT Team.

2.7 It is recommended that the Committee note that updates on the progress of the Digital Modernisation Programme will continue to be reported to the Committee at least every second cycle.

Iain Strachan
Head of Legal, Democratic, Digital & Customer Services

3.0 BACKGROUND AND CONTEXT

3.1 At its meeting on 21 March 2023, the Committee noted the creation of a Digital Modernisation Project Board (DMPB), chaired by the Chief Executive, to oversee delivery of the Council's Digital Modernisation Programme. The DMPB meets bi-monthly, and includes representation from the 3 Directorates plus ICT, Legal, Finance and HR, its purpose being to provide support and challenge and ensure that momentum is maintained in the delivery of individual digital modernisation projects.

3.2 As reported to the Committee and following consultation with the Corporate Management Team (CMT) and the Members Budget Working Group, it was agreed that the Digital Modernisation Programme would comprise projects of a more tactical nature that sought to implement digital improvements aligned to specific service requirements, but also aligned to wider strategic objectives.

3.3 Linked to this, as part of the approval of the Council's Revenue Budget for 2023/24, on 2 March 2023, it was agreed that £1M of reserves be utilised towards digital modernisation. Specifically, it was agreed that these reserves are to fund investment in digital modernisation within the Council, including increased officer capacity, to improve both internal service processes/efficiency and access to services for the public, with the use of the reserves to be as agreed by the Committee.

3.4 In considering the projects that might be included in the Digital Modernisation Programme, relevant service areas will need to prepare business cases, supported by the ICT Team, which would then require approval from the DPMB/Corporate Management Team, and it will also be a requirement that the business cases can demonstrate the following:-
- That there is full service area support for the project, with a commitment to make suitable officer resources available;
- That the project will support delivery of the Council's wider strategic objectives, including the Council Plan, the Council's Digital Strategy, the Council's ICT strategy and the New Ways of Working Programme;
- That the project will improve regulatory compliance in respect of information governance;
- That the project has a clear timescale for delivery;
- That any anticipated efficiency savings are identified; and
- That the project will help deliver improvements in service delivery for the benefit of citizens and other service users.

4.0 PROPOSALS

Digital Modernisation Project Updates

4.1 There are a number of projects already being taken forward by the Digital Modernisation Programme. As previously reported to the Committee, these include the replacement of the Secondary School ICT Catering System, the adoption of electronic forms by HR and Payroll (which is funded from the New Ways of Working project) and the replacement of the system used for the handling of corporate complaints. A summary of the projects currently overseen by the DMPB, and their current status is included in Appendix 1 to this report. A Digital Modernisation Workshop has been set up for late August, to be facilitated by the Improvement Service, which will be attended by a cross-service group of service managers and team leaders, to help identify potential new projects, using ideas that are already in practice in other local authorities.

4.2 In connection with the replacement of the Secondary School ICT catering system, the business case for this was approved by the DMPB and CMT. The project requires one-off funding of

approximately £80,000, however this is being funded from the pre-existing Modernisation Earmarked Reserve, and so there was no requirement to seek the approval of the Committee to access the separate £1M Earmarked Reserve approved by the Council in March and referred to above. The anticipated revenue cost of the new system will be broadly the same as for the existing and contained within the service's budget. The one-off costs for replacement of the system used for the handling of corporate complaints, approximately £12,000, has likewise been approved by the DMPB and CMT, with ongoing costs being funded from the New Ways of Working revenue budget within Legal, Democratic, Digital & Customer Services.

4.3   As the Committee will be aware, the Council has now completed the initial roll out of Microsoft 365. This offers the Council access to Office 365, MS Teams, SharePoint and Onedrive as well as access to a wider range of tools and applications. The DMPB has approved the creation of a Microsoft 365 Development Sub-Group, which will work across service areas to support the Council in optimising the opportunities afforded by Microsoft 365, and in a way which still ensures the Council is meeting its duties around information governance. As matters stand, it is anticipated this work will be contained within existing service area resources. ICT will also arrange some virtual drop-in sessions for officers and members, to sign post the Microsoft training materials which are available, and demonstrate some of the additional functionality which can be used.

Customer Service System

4.4   A business case for the upgrade of the system currently used by the Customer Services Team has been approved by the DMPB and also CMT. By way of a brief summary, the Council currently uses the Verint system. This has worked well for the Council, but the version used now needs upgraded. This means that if continued to be used the Council would face risks around operational delivery and regulatory compliance, with the resultant impact on service delivery.

4.5   In accordance with the Council's Digital Strategy, the proposed upgrade will increase the range of online services that can be made available to customers and exploit the opportunities digital services can achieve by (i) improving customer user experience and interaction with Council Services, (ii) reducing cost to deliver services via channel shift opportunities and (iii) improving efficiencies and productivity of services. Examples of improvements that could be delivered by the upgrade include streamlining the application process for certain permits by using an online form rather than the manual system in place now, providing map-based services allowing customers to use live maps to pinpoint the location of issues or faults, providing interactive responses to requests and allowing customers to provide updates and further information to ongoing issues. It will also align with the aim of the Council's Communications and Engagement Strategy to allow residents to use social media to report issues or request services, with social media posts automatically generating an inquiry into the Customer Services Team.

4.6   Upgrading to the latest version of the Verint EM Pro system is necessary, with the preferred option being a move to cloud hosting. A cloud hosted option it slightly more expensive that an on premise option. However, the cloud option aligns with the work of the Digital Modernisation Programme and supports the 'Cloud First' approach as outlined in the Digital Strategy, together with vision set out in the Scottish Government's 'Transforming Public Services', which aims to 'encourage and support public sector to make efficient and secure use of cloud technology'. There is the option of undertaking a competitive procurement exercise to appoint a new provider for a customer service system. However, given the time and resource implications of such an exercise, the need to maintain momentum on channel shift opportunities, the operational risks associated with a potential move to a new system and the current good working relationship with the incumbent, it is believed by the DMPB and CMT that Best Value will be achieved by upgrading to the latest version of the Verint EM Pro system. If approved by Committee, the upgrade would be contracted through a suitable framework agreement.

4.7 The anticipated cost of the upgrade is a one-off cost of £101,450, with an ongoing annual revenue cost of £53k, the current annual revenue cost being £47k. Subject to the required budget being made available, it has been assessed that the upgrade could be delivered within 6 months, with the increased revenue costs contained within the New Ways of Working revenue budget.

HR & Payroll System

4.8 The recent review of the HR Team is reported separately on the agenda for this meeting. Coming out of that review, it has been identified that there is a need to review the systems currently used by the Council's HR Team, and service areas, for both general HR activity, but also payroll administration. Committee is asked to note that work is underway to scope out the Council's requirements, and what the options for that might be, in both the short and longer-term. Once this work has been completed an update will be provided in a future report to the Committee.

Digital Modernisation Earmarked Reserve

4.9 In addition to the £1M Digital Modernisation Earmarked Reserve, and as noted above, the Council separately had Earmarked Reserves for Modernisation (£254k) and ICT Technicians to Support Digital School Inclusion/Covid Recovery & Hybrid Working (£70k). Under delegated authority of the Chief Financial Officer, the Modernisation reserve has been combined with the additional £1M reserve approved at the March 2023 Budget setting, and referred to at paragraph 3.3 above. It has, however, been noted that the need for any use of the Earmarked Reserve to first be approved by the Committee creates potential delays to project implementation. As such, it is recommended that the Committee agrees for delegated authority to be granted to the Chief Executive to approve the use of funds from the Digital Modernisation Earmarked Reserve up to a level of £100k for each such use, and subject to the same being reported back to the Committee for noting.

Updates on Delivery of the Council's ICT and Digital Strategies

4.10 As previously reported to the Committee, the Council's ICT Team leads on delivery of the Council's ICT and Digital Strategies. As the Committee will be aware, these strategies aim to increase and promote the range of digital services available to employees and customers and to exploit the opportunities digital services can achieve by:
- Improving user experience and interaction with Council Services;
- Reducing cost to deliver services via channel shift opportunities; and
- Improving efficiencies and productivity of services.

4.11 The ICT Team has been taking forward a number of initiatives in implementation of these strategies, as follows:-
- Implementation of Microsoft 365 for Corporate Services and Schools is complete. The next phase will focus on collaboration and developing apps and tools from the wide range available within the Microsoft 365 environment;
- Migration to a new corporate data storage solution is nearing completion providing additional capacity and security and improved performance;
- The PC refresh programme is now focussing on the School Estate, a full hardware refresh having been completed for the Corporate Estate in 2021/22. 270 PCs have been refreshed over the summer break to finalise the refresh of all of the high school computer suites. The next phase will address senior manager and office staff equipment and classroom based PCs;
- Replacement of the current schools Bring Your Own Device (BYOD) network is being developed and trialled;

- The current Scottish Wide Area Network (SWAN) contract is concluding and the contract for SWAN2 has been awarded to BT. ICT are currently evaluating the new contract with a view to continuing as members of this group. Committee will receive a report on the potential adoption of SWAN2 once this evaluation has completed.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation(s) is(are) agreed:

SUBJECT	YES	NO
Financial	X	
Legal/Risk	X	
Human Resources	X	
Strategic (Partnership Plan/Council Plan)	X	
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		X
Environmental & Sustainability		X
Data Protection		X

5.2 **Finance**

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Digital Modernisation Reserve	Education Catering	From 2023/24	£80k		Funded from Digital Modernisation EMR £1.254m
	Customer Services Centre		£101k		Funded from Digital Modernisation EMR £1.254m
	Workpro		£12k		Funded from Digital Modernisation EMR £1.254m

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
Schools	Computer Maintenance		£1k		Additional Revenue Cost Catering System
CSC	Computer Maintenance		£6k		Verint System - Fund from NWoW revenue budget.
	Computer Maintenance		£9k		WorkPro/Complaints - Fund from NWoW revenue budget.

5.3 **Legal/Risk**

The adoption of new digital ways of working, such as referred to in this report, will help the Council ensure compliance with its regulatory duties, in particular around information governance and records management and help mitigate the risk to operational delivery that is posed by some current working practices. There are, naturally, risks associated with the adoption of new systems. These risks would need reviewed, and suitable mitigations put in place. However, the Council also needs to consider the risks of not progressing such initiatives, including with information governance compliance and Council service delivery but also staff retention.
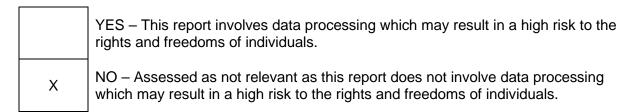
5.4 **Human Resources**

The development and implementation of modernisation and digitalisation will help the Council maximise the potential of its staffing capacity. To facilitate this, there is a need to increase understanding and awareness of these opportunities and thereafter ensure that appropriate resources are available to allow these opportunities to be grasped. The funding and governance approved for the Digital Modernisation Programme will help address this.

5.5 **Strategic**

Increasing investment in the development and roll out of modernisation and digitalisation projects will support a number of key strategic and policy directions of the Council. This includes supporting delivery of the Council's Digital Strategy (2021 – 2024), which recognises the need to increase and promote the range of digital services available to employees and customers, and to exploit the opportunities that digital services can achieve by (i) improving user experience and interaction with Council services; (ii) reducing cost to deliver services via channel shift opportunities; and (iii) improving efficiencies and productivity of services. In addition, the Digital Modernisation Programme will help support delivery of the Council Plan (2023-28), and in particular Theme 3 (Performance), by helping the Council achieve the provision of high quality and innovative services, giving value for money.

5.6 **Data Protection**

Has a Data Protection Impact Assessment (DPIA) been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO – Assessed as not relevant as this report does not involve data processing which may result in a high risk to the rights and freedoms of individuals.

Although a DPIA was not required for this report, adoption of certain digital solutions will assist the Council in ensuring it is meeting its obligations around the storage and use of personal data. A DPIA would also be required prior to adoption of certain solutions, to ensure that any personal data was suitably protected, such as employee records.

6.0 CONSULTATION

6.1 The Corporate Management Team and the DMPB have been consulted on this report.

7.0 BACKGROUND PAPERS

7.1 N/a

APPENDIX 1 – DIGITAL MODERNISATION PROGRAMME PROGRESS SUMMARY UPDATE

Project	Service	Purpose	Progress Update	Anticipated Completion Date	Comments
Secondary School ICT Catering System	Culture, Communities & Educational Resources	Replacement of existing catering system which is at end of contract. Provide wider functionality for students, parents and staff. Reduce waste.	Procurement of new contract being progressed	March 2024	-
Complaints System	Legal, Democratic, Digital & Customer Services	Replacement of existing complaints handling system	Amendment to existing contract with supplier being taken forward, to include Complaints Handling into system currently used for FOI Handling	December 2023	-
Microsoft 365	Legal, Democratic, Digital & Customer Services	Optimisation of opportunities afforded by Microsoft 365	Cross-service development group established, reporting into DMPB	March 2024	-
HR& Payroll E-Forms	HR, OD, Policy & Communications	Transfer of existing manual processes to electronic forms	Number of forms been developed and being tested prior to roll out	December 2023	-
Customer Service System	Legal, Democratic, Digital & Customer Services	Improve processes within Customer Service Centre and Services. Expand availability of processes for "self" service	Business Case been approved by DMPB and CMT, and now presented to Committee for approval.	February 2024 (subject to Committee approval)	-

		by members of the public.			

*It is to be noted that the HR system project was already underway prior to the creation of the Digital Modernisation Programme and the E-Forms project is not being funded from the Digital Modernisation Reserves.