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| Report To: | Policy & Resources Committee | Date: | 19 November 2024 |
| Report By: | The Head of Legal, Democratic, Digital & Customer Services | Report No: | LS/083/24 |
| Contact Officer: | Allan McDonald | Contact No: | 01475 712098 |
| Subject: | Interim Digital & Customer Services Strategy | | |

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The purpose of this report is to seek Committee's agreement to adopt a phased approach to creating a new combined Digital and Customer Services Strategy.
- 1.3 In October 2024 the Accounts Commission issued a report entitled "*Transformation in councils*" which set out the key role which transformation will have to play in coming years for councils. The Corporate Management Team have had initial consideration of the report and have agreed further work involving a wider group of officers with external support is required in order to properly scope the proposal that will be proposed to form a subsequent part of the strategy.
- 1.4 A phased approach to creating a longer-term Digital and Customer Service Strategy will assist in preparing a long-term ambitious but realistic programme to support the wider transformation agenda.
- 1.5 Phase 1 of the Digital and Customer Services Strategy set out at Appendix 1 contains five actions that will lay the foundations for the mapping of a comprehensive and deliverable multi-year transformational programme for Digital and Customer Services.

2.0 RECOMMENDATIONS

It is recommended that the Committee:

- 2.1 notes the advice from the CMT to employ a phased approach to creating a Digital and Customer Service Strategy in light of the recently issued Accounts Commission report and the actions identified by the Council's external auditors.
- 2.2 approves Phase 1 of the strategy and action plan and notes that updates on progress will form part of the bi-meeting digital updates to Committee.
- 2.3 notes that funding for relevant costs associated with the development of an approach to transformation will be met from the digital earmarked reserve.

Lynsey Brown
Head of Legal, Democratic, Digital & Customer Services

3.0 BACKGROUND AND CONTEXT

- 3.1 The committee approved the Council's 2021-24 Digital Strategy and supporting action plan in September 2021. In November 2023, the Council agreed as part of the Auditor's Annual Report that the strategy would be refreshed by September 2024. Work to draft the new strategy began in early 2024.
- 3.2 In March 2023 the Council agreed to allocate £1 million from reserves to create a digital earmarked reserve overseen by the Digital & Modernisation Project Board. Services can apply for funding to implement projects to modernise their services with the use of digital upgrades. Any projects costing more than £100,000 require approval by Committee. There is an update on progress in utilising this reserve elsewhere within this agenda.
- 3.3 In October 2024, the Accounts Commission issued a report entitled "*Transformation in councils*". This report set out the key role which transformation will have to play in coming years for councils to achieve financial sustainability. Having considered this report, the CMT have agreed that further exploratory work involving a wider group of officers with external support is required in order to fully and properly scope the way ahead for the Council in its digital transformation.
- 3.4 On 24 October 2024, the Council considered the 2023/24 Annual Audit Report prepared by the Council's external auditors, KPMG. The following 4 actions were identified, all linked to the wider transformation agenda:
- developing a medium-term savings strategy;
 - measuring the effectiveness and benefits arising from digital investment;
 - measuring the benefits/impacts of hybrid working; and
 - investigating further shared working opportunities.
- 3.5 The use of technology and consideration of how the Council interacts with its customers and service users will be critical in progressing transformation. Of course, this all needs to be viewed in light of the Council's financial pressures.
- 3.6 In light of the above, the CMT considered that there would be limited benefit in agreeing a comprehensive long-term Digital & Customer Services Strategy at this juncture. Instead, it is suggested that the strategy is split into two phases: Phase 1 sets out a plan for undertaking reconnaissance actions to gauge the Council's current position, to identify changes required and to ascertain the level of investment required in terms of finances but also in resource, time and focus. Following completion of the Phase 1 actions, Phase 2 of the strategy will be developed which, armed with the intelligence gained as part of the Phase 2 actions, set the Council on path for deliverable transformation. This investment required in relation to this would then be considered as part of the 2026/27 Budget.
- 3.7 Phase 1 of the strategy sets the scene for the development of a detailed, informed and scoped multi-year transformation plan which identifies the key changes required for the Council's new approach to Digital and ICT which supports the Council to deliver transformation.

4.0 PROPOSALS

- 4.1 It is clear that there is a need for the Council to develop a clear vision around transformation. The Council's Digital and Customer Services Strategy is a key, but not the only, driver in doing so. As such it is proposed that the Digital and Customer Services Strategy – Phase 1 is adopted in order to provide a platform for the development of informed and considered actions which will form Phase 2 and will map out an ambitious, realistic and deliverable route for the Council's Digital

and Customer Services to support transformation. This approach will ensure that the Council's medium-term financial plans, digital and technology plans and workforce plans are aligned to meet the challenges identified in the Accounts Commission report.

4.2 The digital earmarked reserve will fund relevant costs associated with external support in developing a medium-term approach to transformation with updates to this Committee in the bi-meeting digital reports.

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

To deliver the action plan will require external support and it is proposed to fund this from the Digital earmarked reserve.

The need for the Council to utilise technology to support financial and service delivery sustainability is clearly set out in the Accounts Commission report.

One off Costs

| Cost Centre | Budget Heading | Budget Years | Proposed Spend this Report | Virement From | Other Comments |
|--------------------|-----------------------|---------------------|-----------------------------------|----------------------|---|
| Digital EMR | Various | 2024/26 | TBC | | Committee approval will be sought for any expenditure in excess of £100k. |

Annually Recurring Costs/ (Savings)

| Cost Centre | Budget Heading | With Effect from | Annual Net Impact | Virement From (If Applicable) | Other Comments |
|--------------------|-----------------------|-------------------------|--------------------------|--------------------------------------|-----------------------|
| N/A | | | | | |

5.3 Legal/Risk

The risk to the Council of not aligning financial, workforce and technology plans and Council policy priorities are significant hence the CMT recommendation to progress an Interim Digital & Customer Strategy at this time.

5.4 Human Resources

There are no HR implications at this time.

5.5 Strategic

The Council's approach to transformation and the use of technology impacts across a number of strategic priorities.

5.6 Equalities, Fairer Scotland Duty & Children/Young People

Once the final strategy is developed the relevant EqIA will be reported to Committee.

6.0 CONSULTATION

6.1 The CMT support the proposals in this report.

7.0 BACKGROUND PAPERS

7.1 Transformation in Councils - Accounts Commission (October 2024):
https://audit.scot/uploads/docs/report/2024/nr_241001_LGO.pdf

Digital & Customer Service Strategy

Phase 1
2024 - 2025

Appendix 1



Digital Council - Digital Service - Digital People

Inverclyde Council

Digital and Customer Service Strategy and Action Plan – Phase 1

Introduction

This strategy sets out the first phase of Inverclyde Council’s approach to developing a long-term plan for Digital and Customer Service Transformation. It is the first step in identifying the priorities and commitments required to harness the potential of digital technology and customer services so that we can improve our business and the services we provide to the public.

In October 2024, the Accounts Commission issued a report entitled “*Transformation in councils*” which detailed the key role which transformation will play in coming years for local authorities in achieving financial sustainability.

The complete Digital and Customer Service Strategy will aim to enhance how the Council connects with the public and employees by:

- ensuring service users experience effective communication with Council services that meet their needs.
- ensuring the best use of technology to support service delivery and the everyday lives of residents in Inverclyde.
- providing employees with the technology needed to do their jobs effectively and efficiently.

The delivery of Digital and Customer Service Transformation will require significant investment from the Council in focus, energy, resource and, most notably, financial investment. This phase 1 of the strategy seeks to scan the horizon and gain intelligence on the scale that these investments will require to be so that we can ensure that phase 2 of the strategy is ambitious and also realistic and deliverable.

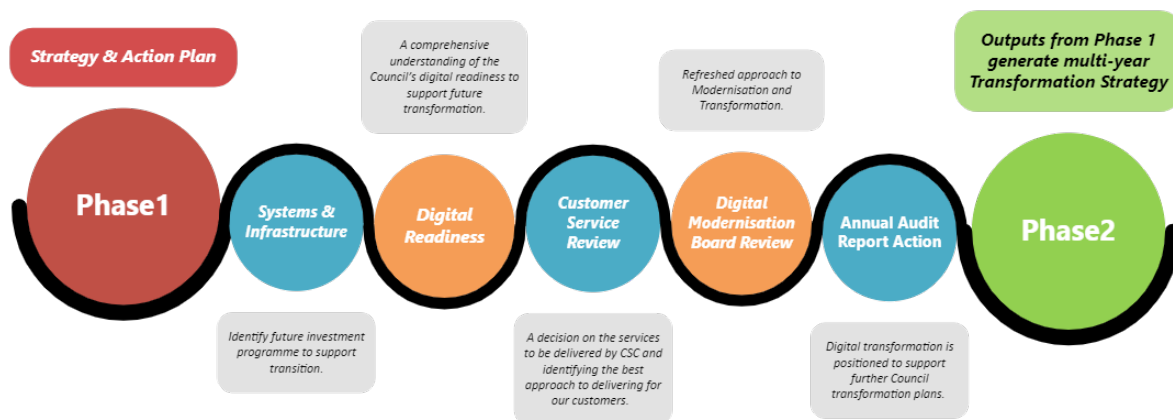


Figure 1 - Phased approach to creating multi-year transformation strategy.

Phase 1 of the strategy sets the scene for the development of a detailed action plan and identifies five focussed short-term actions which are essential in building a platform for the development of the second phase of this strategy by March 2026 which, using the information

obtained by delivery of the actions detailed within Phase 1, will map out a deliverable and financially assessed route to Digital and Customer Service Transformation.

The Council must ensure it is fit for the challenges and opportunities that lie ahead by leveraging the use of technology to deliver affordable, efficient, sustainable, and digitally enabled services that meet residents, 'service users' and employees' needs and expectations. To prepare for this, sustained investment is required to build infrastructure and enable the delivery of services in new and innovative ways.

Key Actions

As part of Phase 1, the five key actions to be developed over the next 12 - 18 months are as follows:

- Action 1: A systems and infrastructure review. Developing a programme of system refreshes to meet the long-term requirements of the Council, ensuring interoperability and compatibility as a key component of any replacement system. Providing a core network infrastructure meets the need of staff and services.

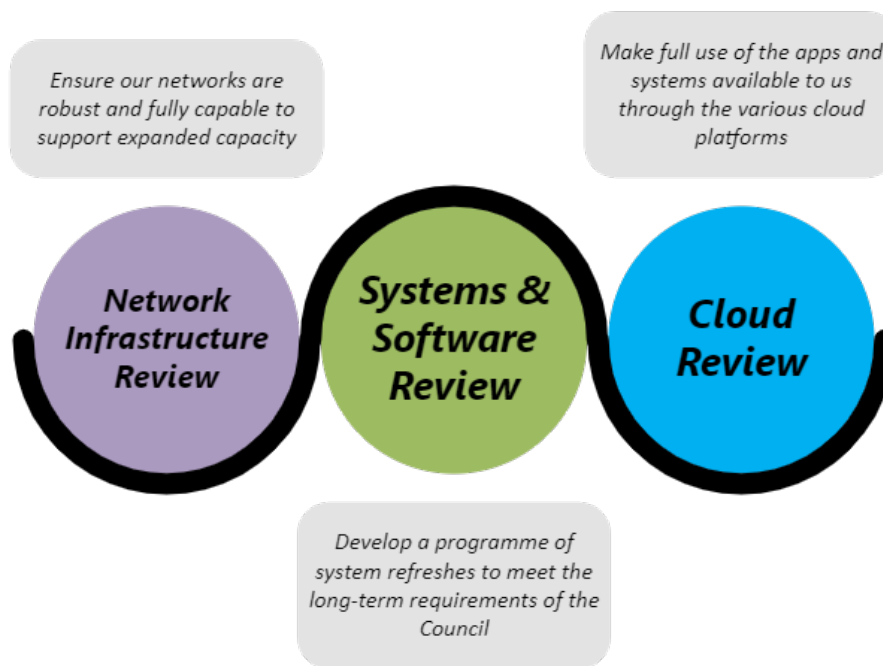


Figure 2 - Systems & Infrastructure review.

- Action 2: An externally led digital readiness assessment. Provide assurance and guidance on future transformation steps. Provide a long-term approach to digital readiness and deployment.

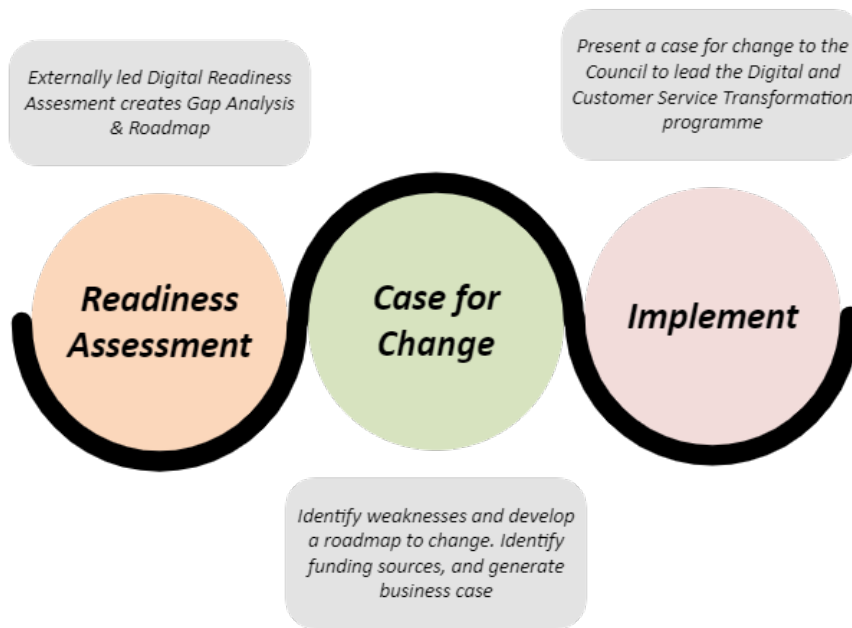


Figure 3 - Digital Readiness Assessment

- Action 3: Review of the Customer Service Centre. Determine the best approach to delivering face to face services across the Council, taking account of the Council's review of buildings & assets and the changes in our customers demographics.

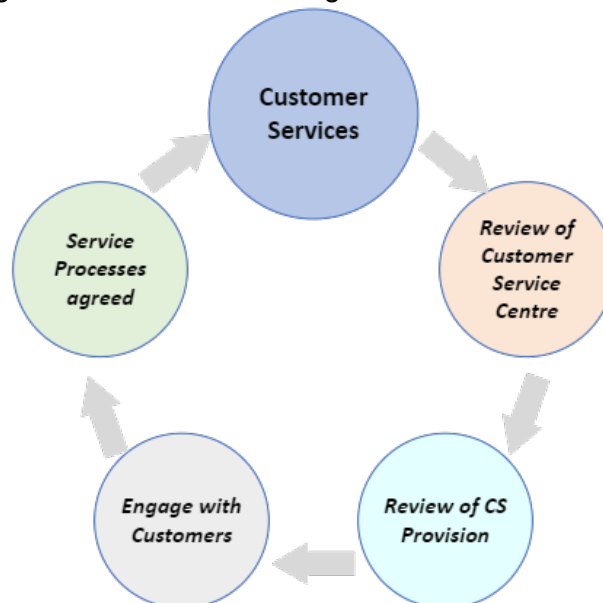


Figure 4 - The Customer Service review process.

- Action 4: Delivery of the Annual Audit Report action around benefits of Digital Investment.



Figure 5 - Annual Audit Report

- Action 5: Review of the Digital Modernisation Project Board, refreshing its aims and objectives.

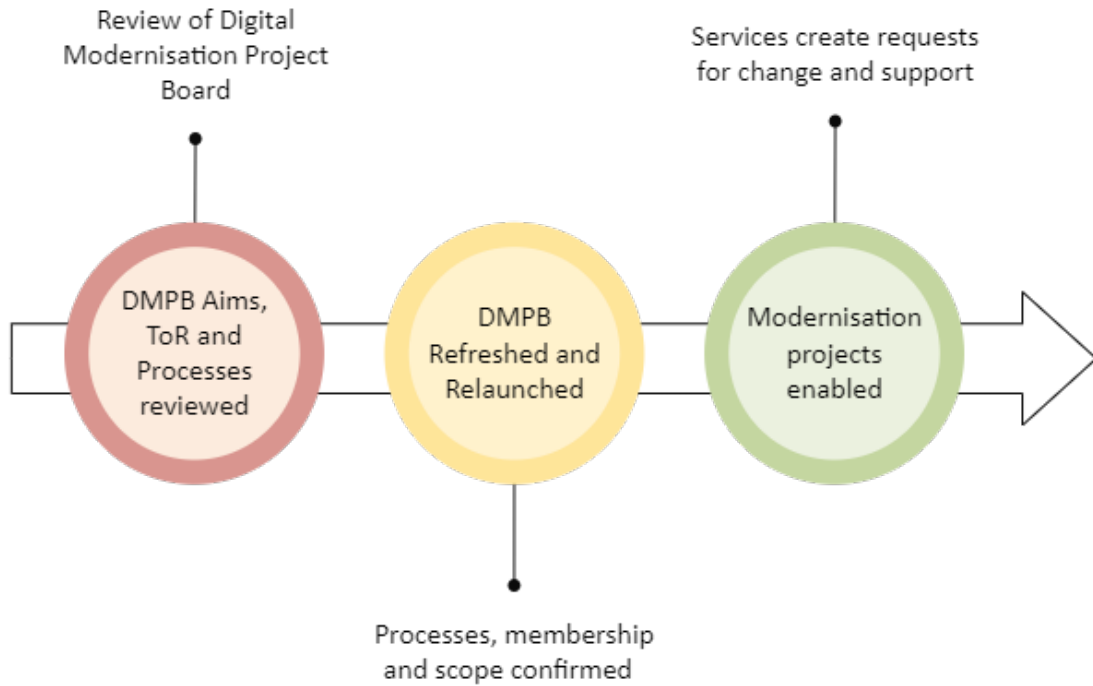


Figure 6 - DMPB Review

The table below details the actions and intended outcomes and how and when it is intended these will be delivered.

The outcomes from these actions will be used to deliver Phase 2 of the Digital and Customer Services Strategy by March 2026.

Action Plan

| Action | Outcome | Who | When |
|---|---|--|---|
| <p>Action 1: A full internal systems and infrastructure review to ensure systems and Infrastructure meets the need to support the customers and staff of the Council.</p> | <p>Awareness of weaknesses and opportunities to develop and enhance systems to support transformation programmes.</p> <p>Identify future investment programme to support transition.</p> | <p>Digital & Customer Service Manager</p> | <p>November 2025</p> |
| <p>Action 2: Engage with an external supplier to provide an externally led digital maturity assessment This will deliver a full understanding on where the Council lies on digital readiness and its ability to develop and transform its services.</p> | <p>A comprehensive understanding of the Council's digital readiness to support future transformation.</p> <p>Procurement of a readiness assessment, gap analysis & roadmap with funding and implementation options.</p> | <p>Chief Executive Head of LDDCS Digital & Customer Service Manager</p> | <p>November 2025 February 2025</p> |
| <p>Action 3: Internally led review of the future of Customer Service provision and the future of the Customer Service Centre.</p> <p>Corporate agreement on the range and scope of CS to internal and external customers.</p> | <p>A decision on the services to be delivered by CSC and identifying the best approach to delivering for our customers.</p> | <p>Digital & Customer Service Manager</p> | <p>December 2025</p> |
| <p>Action 4: Delivery of the Annual Audit Report action around benefits of digital investment</p> | <p>Digital transformation is positioned to support further Council transformation plans.</p> | <p>Chief Executive Head of LDDCS</p> | <p>November 2025</p> |
| <p>Action 5: Review of the Digital Modernisation Project board and refreshed terms of reference</p> | <p>Refreshed approach modernisation and transformation.</p> <p>Ensure that the process for agreeing, funding, and implementing digital programmes meets the needs of the services.</p> | <p>Chief Executive</p> | <p>March 2025</p> |