

Title of report: Transformation Programme

Decision maker: Cabinet member finance, corporate services and planning

Decision date:

19th July 2022

Report by: Head of chief executive's office

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose

To gain authorisation to draw up to £490,000 from the council's corporate reserves in the 2022/23 financial year to enable the commissioning and award, following a compliant tendering process of a contract to support the development and delivery of a digital and customer services strategy to accelerate the council's digital transformation journey.

Recommendation(s)

That:

- a) The Cabinet member for finance, corporate services and planning approves the agreed approach to digital and customer services transformation which is outlined in the report;**
- b) The Cabinet member for finance, corporate services and planning approves expenditure up to the value of £490,000 from the council's corporate revenue reserves to fund all necessary steps of the digital and customer services transformation approach;**
- c) The Cabinet member for finance, corporate services and planning authorises the Director for Resources and Assurance to take all steps necessary, including entering into necessary agreements and procuring and awarding any relevant contracts up to the value of £490,000, to deliver the approach to digital transformation as outlined in the report.**

Alternative options

1. Do Nothing. This is not recommended because the customer journey in engaging with the council is currently fragmented and delivered in a variety of ways across all teams in the council. The digital infrastructure for both customers and staff is outdated and many systems are not currently integrated which does not allow for a smooth and streamlined process when contacting the council or sourcing information. There are a number of different touch points across the council which do not allow for easily obtainable performance data during the customer journey and information sharing.

Key consideration

Drivers

2. The council's ambitious plans for digital transformation as outlined in the County Plan have a critical part to play in achieving the future vision of the council that encourages inclusion, independence and enablement of all its residents and communities.
3. As described in the council's County Plan the way in which the council interacts with residents needs to change, delivering quicker and better outcomes, helping the council to be more efficient whilst improving the experience of residents.
4. The council recognises that it needs to significantly improve the foundations of its digital platforms and presence to enable the council to work smarter and to improve our ability to meet the needs of residents in all service delivery.
5. The council needs to embark on a digital and customer transformation journey that will make sure the council has the right digital infrastructure, systems, and digital access channels and equip the council with the right tools and technology to meet the needs of all residents and work smartly. There needs to be a strong focus on customer-led transformation to enable an ambitious new model for contact with the council which improves the customer experience. There will be a substantial focus on understanding our current technological landscape, its capability and future to support robust investment decisions that will put the council in a strong position to deliver the digital strategy once developed, agreed and approved by leaders and key stakeholders.
6. For many people accessing services online, outside of office hours is often the only way to get things done in today's modern world. The council needs expert help and advice and extra capacity to understand its ambitions around becoming a Smart County, helping us to achieve a digital experience for our residents that is comparable to other areas of their lives. The council also appreciates that there are residents who want to access our services in a different way as they cannot or do not want to access services online. The council is in full support of excellence in

digital service delivery which will also allow staff to have more time to support people who require face to face interaction or other methods of access to council services.

7. The most recent customer services strategy is 2005-2008 with anecdotal information indicating that there is a high level of poor customer experience when engaging with the Council and that customer services is delivered in a variety of ways which is often fragmented. With the fragmented approach it is also difficult to source performance data across the journey therefore limiting the opportunities to identify improvements, gaps and trends.
8. Across the council there are nine call centres with Blueschool House being the main customer services access point however they only receive on average 16% of the calls into the council. There are also over 700 telephone number for the council on the council's website.
9. The council needs to move to a sustainable digital and customer services offer that allows for information to be provided at the right times and signposting people to information, advice and services allowing for budgets to be targeted for the most vulnerable individuals in the county.

Our key Objectives

10. The council needs capacity and expertise to agree and implement our customer and digital strategies that will drive a consistent standard and approach for our residents, with clarity on the supporting technologies and capabilities required to do that.
11. The council need to upgrade its technology and digital capabilities to improve the experience for residents and the staff who deliver council services.
12. The council needs to deliver efficient and smart services and experience for our customers that is reflected in our back office processes and supports staff to operate effectively.
13. The council is committed to creating a more consistent, corporate organisation that has a truly one council approach, with the right technologies and capabilities to support this.

Where we are now

14. The council is behind on its investment in technology and fully utilising technology to drive better user experience and efficiencies.
15. Our customer services offer is fragmented and standards are inconsistent across the County.
16. The council is committed to digitally transforming the council at pace and requires skills, expertise and capacity to speed this journey up.
17. There is a commitment to invest for the future and improve efficiencies and user experience.
18. There is a strong commitment for this change both politically and from the council senior leadership team.

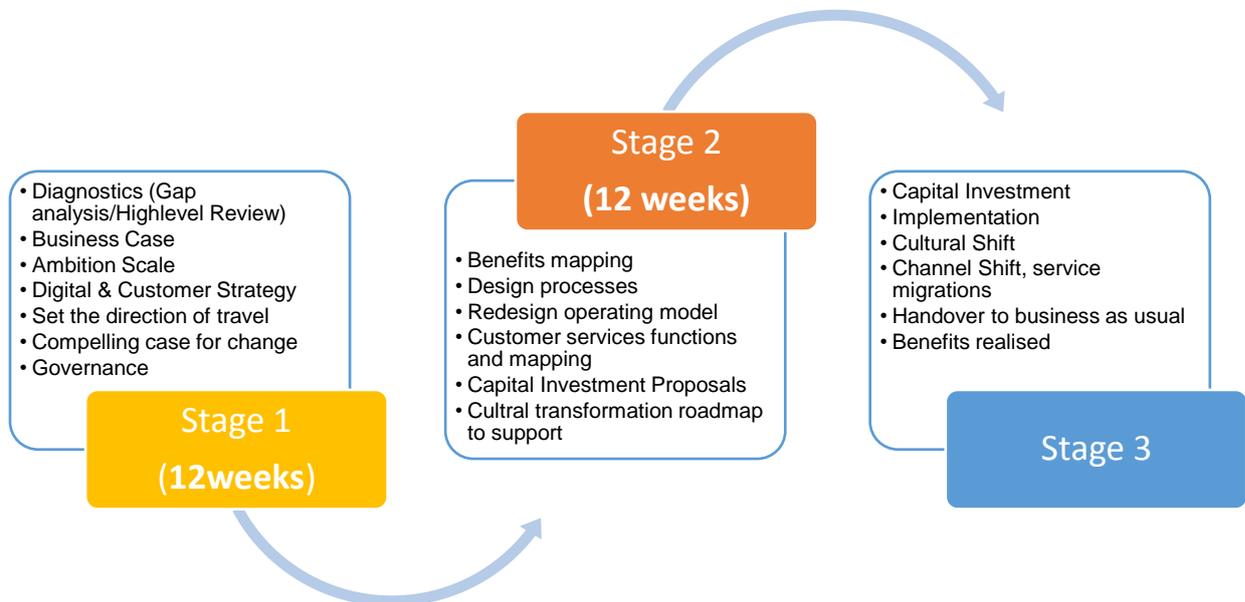
Our Approach to move forward

19. The council has engaged with several local authorities and listened to approaches that have been effective in the last five years in terms of digital and customer services transformation. Officers have attended digital conferences to understand how other councils have operated or are operating in an effective digital world. Councils that have achieved significant outcomes in their digital transformation journeys have effectively partnered with experts to deliver the change in a partnership model creating expert capacity and capability.
20. The council is proposing to procure a strategic partner to undertake the critical work around needing to develop a forward looking, dynamic digital strategy underpinned by customer led

transformation. The council believe that this will build trust and confidence in our ability to change, remind the organisation of the future and our ambitious destination plans and provide tangible bottom-up change to address immediate capacity and quality challenges.

21. The council are proposing to procure this transformation journey in stages. Stage one will be a diagnostics stage which will have clear outputs. The council will follow a compliant tender process for this stage and the commission will include a clear expectation on outputs to be achieved. These will be:
 - a) A compelling case for change supported by strategic narrative
 - b) An agreement on strategic outputs which will need to be achieved through this change process
 - c) A clear description of what the future looks like including the technological landscape, digital ways of working, culture and behaviours and a customer-led approach
 - d) A roadmap to develop and implement the changes identified
 - e) A new model for customer services to improve the customer journey
 - f) A digital technological assessment with a gap analysis and potential solutions
 - e) A business case with estimated benefits including financial and non-financial, potential investment costs and a long list to a short list of identified gaps with suggested solutions and areas requiring further exploration across all areas of the customer and digital operation models.
22. Some of the key work will be around looking at our core applications, infrastructure, data analytics, and security. There is be focus on how well the council's information and digital technology is supporting the council's current and future business operations. The work will look at self-service for customers and staff, hybrid and fully remote working enablers, use of key application on the go and our end to end digitisation of core processes.
23. The council is fully committed to the developing the skills and engagement of the workforce so focus will be given to how to deliver the most value from technological investments. Consideration will be given to how the workforce can be appropriately skilled, enthused and motivated to use the right technology in the right way to deliver the vision as set out in the County Plan.
24. The council recognises how important the role of leaders is in this transformation journey and there will be an expectation that the successful partner to take our leaders on the journey and help them assess the digital mindsets within their teams and if necessary create a safe and trusted platform to support in changing mindsets to ensure a successful delivery of the councils digital vision.
25. Stage 2 will be the design and implementation stages and stage 3 will be the handover to business as usual. At the moment the decision paper is asking for stages 1 & 2 and once stage 2 is completed a further decision will be taken which will set out future investment costs, short medium and long term investment model with further businesses cases coming forward.

An outlined staged approach can be seen below:



26. By doing this the council will be in a strong position to build ownership amongst staff, be in a strong position to build a bottom up delivery plan to make the operational changes required and create a powerful technological enabling platform to drive transformation and efficiency which will improve the experience of our residents and communities.
27. The council recognises that communication is key to the successful delivery of this programme. The transformation team will work with the council's corporate communication service to establish clear messaging and a communications plan in order to enhance the programme and promote the benefits to the residents and any engagement activity that may be required.
28. The council also understands that a better, more adaptable organisational culture is one that remains productive and engaged within the digital functions and services of an organisation. This is especially important in councils delivering public services and whose services are evidentially a benefit to the largest number of people. In stage 2 of the commission the council will be asking for a cultural transformation roadmap to support the plans coming forward as digital transformation is heavily tied up with the culture of the organisation. The right culture will grow and ensure the successful delivery of the digital and customer strategy.

Key Benefits for the Residents of Herefordshire

29. There are a number of key benefits that will be realised for the residents of Herefordshire as an outcome of this piece of work.
30. Through digitisation the council will be able to consolidate things like customer services, social media, analytics and project management meaning the council will be able to better connect with a target audience and provide helpful solutions for our residents' needs. The council will be able to deliver services in a much smarter way by targeting our services where there is demand in a strengths based approach.
31. The council will improve customer journeys by providing 24/7 services that can be accessed online moving away from traditional 9-5 access. Council services will meet the demands of the customer rather than the council's resourcing demands and the council will aim to resolve queries at the first point of contact leading to less frustration and taking inefficiency out of the system. By

doing this the council believe that the council will be able to reduce demand on council services enabling us to better meet the demands of the most vulnerable residents in the community.

32. With the right digital infrastructure and with the right customer services strategy the council will be able to confidently channel shift to a successful online offer which will meet the demands of most of residents.
33. The council believes that once it is digitised, especially over something like a singular integrated platform that utilises cloud-based computing, the council can communicate better. Essentially, bringing together the council's digital processes means that teams are brought together, which allows for siloed working to be a thing of the past.
34. For continued success in a world that rapidly changes due to technological advancements, the council needs to be open to trying some of these emerging technologies. This will allow the council to adapt to customer demand which continuously evolves.

Community impact

35. The council's County Plan, adopted by the council in February 2020, has a clear vision for the future of the County. The vision is:

"Respecting our past, shaping our future – we will improve the sustainability, connectivity and wellbeing of our county by strengthening our communities, creating a thriving local economy and protecting and enhancing our environment"

The council believes that the right digital foundations, customer services strategy will provide the basis to deliver improved services to our residents across the County and this piece of work and partnership which the council plans to commission will accelerate its ability to achieve the vision.

36. There are three key themes to the County Plan:
 - a) Connectivity – Connecting people digitally and physically across communities, in local neighbourhoods and to the wider world
 - b) Wellbeing – Help people feel safe, supported and to value Herefordshire and their community
 - c) Sustainability – Pride in Hereford's unique and beautiful environment and rural heritage and tackling the climate challenge through new approaches to sustainability

These areas sit at the heart of our policy making, planning and designing the future. The council's digital and customer strategy will be vital in achieving these elements. The council is committed to:

- Digital connectivity – supporting flexible working for staff, connection rural communities
 - Connecting and supporting communities especially to tackle inequality
 - Connecting with partners such as parish councils, Town Councils and businesses
 - Connecting Locally – supporting and promoting local, independent shops and businesses
37. The council uphold strong values which help the council to provide the best possible services to our residents. It is really important that the council get their digital and customer strategy right so

that the council have the foundations to uphold the council's values in terms of people, excellence, openness, partnership, listening and environment. And ensuring that the offer is effective at all points in the journey to ensure those with the most needs receive the services they require.

38. The council's values:

- I. People: Treating people fairly, with compassion, respect and dignity
- II. Excellence: Striving for excellent services, care and quality of life in Herefordshire
- III. Openness: Being open, transparent and accountable
- IV. Partnership: Working in partnership and with all our diverse communities
- V. Listening: Actively listening to, understanding and taking into account people's views and needs
- VI. Environment: Protecting and promoting our outstanding natural environment and heritage for the benefit of all.

Our values guide the way the council acts, what it says and how the council thinks and supports the council in making decisions.

Environmental Impact

39. This decision will have significant impact on some of the environmental factors and success measures that are outlined in the council's County Plan.

- Reduce the council's carbon emissions
- Work in partnership with others to reduce county carbon emissions
- Improve the air quality within Herefordshire

40. This decision will have significant impact of the environmental factors and success measures that are outlined in the council's County Plan.

A robust digital and customer strategy underpins all of the above. The foundations to a successful digital and customer strategy will enable the council to positively contribute towards all the environment factors. The smarter the council becomes in terms of their services, the way they are delivered and how the council's workforce work and interact with customers in a 21st century dynamic service delivery model will see huge benefits realised in terms of our culture, processes, delivery of services, satisfying customer demand, shifting our reputation across the county to a more positive one, channel shifting to self service and addressing fundamental environmental factors in the above.

Equality duty

41. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
42. The public sector equality duty (specific duty) requires us to consider how the council can positively contribute to the advancement of equality and good relations, and demonstrate that the council are paying 'due regard' in our decision making in the design of policies and in the delivery of services. If the decision is made then equality considerations will be considered as the program develops
43. Through an effective digital transformation strategy, the council can benefit from greater visibility and insight into our data. By updating data capture and management, the council are able to gain a transparent view of our operations, particularly in terms of performance which will provide us with accurate equality data and information which will help us fulfil our public sector equality duties.
44. By gaining more transparency over data, the council can understand our users and audience better, feeding that information into better-developed business strategies. In turn, the council can see a greater return on investment through digitalisation and having the visibility to make better decisions around providing services that will meet the demands of our customers rather than making assumptions and doing what the council have always done. The council will be led by customer insight and data accuracy.
45. The council is committed to providing access to services in all different ways to remain fair and equitable to all residents. The council believes the best way to do this and improve the customer journey is enhance more digital solutions which will increase access channels and provide more choice to our residents to access council services in the smartest possible way which suits the resident not our council processes.
46. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes. As the stages develop Equality Impact Assessments will be included to ensure that the council are taking equality implications into consideration.

Resource implications

47. In order to complete this piece of the work the following funding requirements have been identified. It is anticipated that the route to market will be a staged tendering process . The requirements for the first stage will be a fixed price with very clear outcomes to be achieved within a defined timescale.
48. The tender process will allow for the second stage to be awarded based on a set of commercial principles that will be defined within the invitation to tender, this is necessary as the total costs will not be known until the 1st stage is complete.

Revenue or Capital cost of project (indicate R or C)	2020/21	2021/22	2022/23	Future Years	Total
	£000	£000	£000	£000	£000
R Stage 1			200		
R Stage 2 & 3 (Estimate)			290		
TOTAL			490		

Funding streams (indicate whether base budget / external / grant / capital borrowing)	2020/21	2021/22	2022/23	Future Years	Total
	£000	£000	£000	£000	£000
Financial Resilience earmarked reserve			490		
TOTAL			490		

Revenue budget implications	2020/21	2021/22	2022/23	Future Years	Total
	£000	£000	£000	£000	£000
Financial Resilience earmarked reserve			490		
TOTAL			490		

This decision requests the use of £490k from the Financial Resilience earmarked reserve. At 1 April 2022, the balance on this reserve was £17.4m but £5m has already been drawn down in 2022/23 to fund the Children's' transformation, with a further £6.49m scheduled to be drawn down in September. This would leave a balance of approximately £5.9m remaining in this reserve to provide financial resilience over the Medium Term Financial Strategy period.

Legal implications

49. The council's financial Procedure Rules state that all drawdowns from reserves can be approved by the Director of Assurance and Resources and reported to Cabinet.
50. It is clear that the key partner will be procured in accordance with both the council's contract procedure rules and the Public Contract Regulations 2015 and it is anticipated that this will be supported by the council's commercial services and legal services team.
51. Legal services will also advise on the contractual terms to be use with the identified partner.
52. There are no other legal implication arising from this decision for stages 1 and 2 of the digital transformation strategy.

Risk management

53. There are various categorises of risk, including financial, legal, and reputation. A list is provided as part of the [Performance, Risk and Opportunity Management Framework \(PROM\)](#).
54. The following risks have been identified

Risk / opportunity	Mitigation
The approach outlined in this paper is not supported	The approach is supported by the council's leadership team and regular consultation with the cabinet portfolio holder is happening
The mechanism for funding a key partner is not realised from the council's corporate reserves	The decision is supported by the council's section 151 officer
The work does not go ahead	The council is at risk of not achieving digital transformation and achieving

Consultees

Council Leadership Team (CLT)	21 June 2022 – Agreed to make some changes and sign off by proxy
Cabinet member finance, corporate services and planning	28 June 2022 – supportive of the proposal
Political Groups Consultation	6 July 2022 – Mixed views were received but in general supportive of the proposal

Appendices

None

Background papers

None Identified

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published

Governance	John Coleman	Date 07/07/2022
Finance	Jo Moore	Date 08/07/2022
Legal	Alice McAlpine	Date 06/07/2022
Communications	Luenne Featherstone	Date 28/06/2022
Equality Duty	Carol Trachonitis	Date 28/06/2022
Procurement	Lee Robertson	Date 28/06/2022
Risk	Kevin Lloyd	Date 05/07/2022

Approved by Joanne Moore [Interim Head of Strategic Finance \(Deputy S151 Officer\)](#)

Date 11/07/2022

[Note: Please remember to overwrite or delete the guidance highlighted in grey]

Please include a glossary of terms, abbreviations and acronyms used in this report.