

London Borough of Enfield

Cabinet Meeting

Meeting Date **11 November 2020**

Subject: **Case for Change - Digital Services (IT) Strategy**

Cabinet Member: **Cllr Maguire**

Executive Director: **Fay Hammond**

Key Decision: **KD5222**

Purpose of Report

1. This report is to inform the Cabinet of a new Digital Services (IT) Strategy and to gain agreement to proceed with its implementation.

Proposal(s)

2. The new Digital Services (the new name for ICT) strategy and associated organisational structure is designed to improve the maturity and robustness of day-to-day operations and governance. It will also enable Digital Services to deliver the council's 'modern council' cross cutting theme by creating a modern technology landscape and digital workplace. The cabinet report proposes and ask agreement for;
3. Adopting a new name for the function (Digital Services)
4. Deploying a new vision, strategy and organisational structure
5. Supporting this new strategy with revised operational processes and governance across project management, service delivery, budget management, technology architecture and data
6. Delivering against new Key Performance Indicators

Reason for Proposal(s)

7. The outgoing IT strategy and current Operating Model is not fit for purpose for delivering the Council's priorities. This limits Digital Services ability to deliver a modern technology landscape (supported by enterprise architecture) and digital workplace supported by modern applications and digital smart devices. The case for change is around three key themes:
 - 1) Programme portfolio: re-focussing on projects that get the basics right, are deliverable within the team capacity, utilising existing technology (rather than bespoke); reducing the current 600 business applications

- 2) Team capacity and culture; reducing reliance on contractors and instead developing staff to ensure that the learning is retained
 - 3) Customer focus: improving ownership and resolution of problem management, more response service desk.
8. The business has provided feedback to Digital Services that highlight a need to improve customer engagement, IT enablement programme and project management for their services and greater value creation.
 9. To establish a complete picture of the need for change an IT Capability Maturity Framework analysis was carried out and showed an average score of 1.6 against a possible score of 5.
 10. The new Digital Services Strategy has been created to meet these challenges and deliver a Modern Council to the community.

Relevance to the Council Plan

11. Enfield Digital Services supports the delivery of the council plan, A Lifetime of Opportunities for Everyone 2020-22 priorities. As set out in the cross cutting themes, the aim is to be a modern council, by empowering the workforce to be at their best through having right digital tools, ensuring services are safe, accessible and efficient through modern user-friendly technology and supporting value for money and financial resilience through innovation that reduces costs.
12. To realise this, Digital Services need to enable an architectural landscape that allows for robust modern applications to be deployed across the council.
13. By changing the Operating Model and organisational structure towards directly employed resource acquisition, talent development and retention Digital Services are creating 'A Lifetime of Opportunities' for staff members (over external contractors).
14. In addition, radical application consolidation and seamless data handoff between connected Enfield Council Business Applications and databases will enable the council to provide 'Early Help' to the community and staff by creating 'one version of the truth' that can be accessed in real-time and make use of artificial intelligence and machine learning to generate insights.
15. Providing all relevant staff a smart mobile digital device matched to working style will deliver 'A Modern Council'. Enabling the choice to go 100% print free the new strategy will help deliver the 'Climate Action' cross cutting theme.
16. Beyond these areas the strategy is designed to enable digital inclusion by creating the infrastructure needed to support business areas such as

People and Place meet their own aspirations for supporting the community.

17. Finally, the strategy enables Digital Services to deliver the Guiding Principles and Values by placing customers at the heart of processes.

Background

18. Between 2016 and 2017 the ICT support function was in-housed and centralised after 15 years of being delivered externally by contractors. Since then the department has steadily grown in knowledge, competence and size with the support of partners, consultants and long-term agency workers and now have a good foundation for future accelerated progress.
19. This period of transition has not been without its difficulties and fundamental changes are now needed to develop the function into a mature and enabling part of the council. One of the areas the new strategy will redress is to move focus away from developing costly and bespoke internal systems that require expensive skills and knowledge, in favour of maximising the use of industry standard business applications to provide trusted services to the community and Universal Applications that improve internal productivity and collaboration.
20. There are 4 departments within DS which are loosely based around ITILv3 principles (ITIL, formerly an acronym for Information Technology Infrastructure Library, is a set of detailed practices for IT service management (ITSM) that focuses on aligning IT services with the needs of business) however no formal operating model has been uniformly adopted and the result is a siloed approach with a disproportional amount of time spent on business as usual actions and mitigations that make the department reactive.
21. The department has shown tremendous flexibility and conscientiousness since COVID-19 and have enabled the council to quickly adapt to remote and mobile working.
22. The Digital Service team look after the needs of approximately 2,993 council employees, manage between over 600 business and citizen facing applications and associated hardware infrastructure. There is a portfolio of 53 business as usual (BAU) IT projects currently being delivered within the department.
23. Digital Services also provide project management delivery on behalf of business areas, staff training, data and cyber security, governance, contract management and data insights. To be able to deliver this bold and innovative strategy in addition to getting the basic's right, Digital Services need to support the business and Digital Services delivery through a carefully constructed revenue and capital budget, being aspirational but realistic in delivering what is achievable, what is needed and challenging everything against the corporate and Digital Services principles.

24. The current annual revenue budget is £11.6m for running costs of the Digital Services.
25. A business requirements portfolio exercise was carried out across the council which identified 65 IT enabled projects that the council wished to progress to deliver the Council Plan. This portfolio is being prioritised and will be tabled at a future Cabinet meeting as “A Modern Council – Digital Business Portfolio”. Therefore, the strategy will need to provide a robust foundation that supports IT enabled business project delivery.
26. At the beginning of the year the department was made up of 100 full time equivalent staff (including 22 contract or agency staff).
27. Since March Digital Services have gradually reduced the volume of contract and agency staff and, as part of an organisational restructure agreed in August 2020 have paved the way for the new strategy by increasing permanent staffing resource to 115 (funded by a reduction in external staff) and created departments that align closely to ITIL 4.
28. In developing this new strategy and to assess performance objectively Digital Services deployed the IT Capability Maturity Framework (IT-CMF) industry standard to understand where gaps exist, informing the priorities and developing the structure for the roadmap to success. This showed that the current function has an average score of 1.6 across 37 areas which is below industry average and the initial target of 3. Importantly a 1-point gap typically equates to a year of change and transformation activities so a priority of the highest value areas for improvement has been made to deliver the quickest benefit.
29. In addition, a digital landscape forecast was carried out which identified key trends and pressures the council will need to meet, and stakeholder feedback was sought which showed the department needed to improve its;
- Relationship Management
 - Programme and Project Management
 - Business Knowledge
 - Service Desk Management
30. The strategy has been developed using recognised strategy development tools including STEEPLE, Porter’s 5 Forces, Business Model Canvas, Value in Use, ITIL 4, TOGAF 9, VIRN Strategic Asset Analysis, 5M Analysis, Lean, Strategy Kernel and Strategic Themes.
31. This strategy aims to build a solid and sustainable foundation (achieved through its Target Operating Model), deliver a reliable and fit for purpose service and enable future ‘Modern Council’ initiatives across the Council.

Main Considerations for the Council

32. The strategy is published in 'Digital Services Strategy 2020 – 2023' and submitted with this report. The success of this strategy aims to positively impact the council and the services it provides to the community and partners.
33. Digital Services are asking Cabinet to consider the new vision, strategy, Target Operating Model, Key Performance Indicators, roadmap and financial statement and agree to its implementation.
34. Once agreed Digital Services intend to publish the document, make it available to the public on the Enfield website and begin an internal communication campaign.

Safeguarding Implications

35. Whilst Digital Services as an enabler to the business areas does not have a frontline impact on safeguarding, Data and Cyber Integrity will be increased as a result of the strategy implementation which will have a positive impact on the ensuring the data or vulnerable adults and children continues to be secure.

Public Health Implications

36. Enabling digital agile working will require joined up thinking with the Build a Change programme to ensure that any increase in 'working from home' or 'working from wherever' does not impact on staff physical or mental health.
37. Creating seamless data handoff across core applications will improve communication with public health services and partners, improving Early Help and data integrity.

Equalities Impact of the Proposal

38. The strategy will deliver modern smart digital devices to all council staff and match their working style and ensure accessibility to the tools needed to carry out their roles. Digital Services envisage this strategy will improve access to a wider range of needs and enable the business to offer more modern community facing digital environments.

Environmental and Climate Change Considerations

39. Negligible positive impact from a reduced application stack and the associated cloud hosting this involves.
40. Enabling a print free environment for business areas and the community who choose this option.
41. Enabling flexible working environments that reduce the climate impact of commuting for Enfield staff and lower Enfield Council's buildings footprint.

Risks that may arise if the proposed decision and related work is not taken

42. Running the department under the current operating model will increase long term operating costs associated with a larger application stack. This will also further the propensity of having multiple systems carrying out similar tasks and with little scope for full development and deployment (using each system to a small % of its potential).
43. A large application stack will increase the need for contractor and agency staff who bring specialist and niche skills to the council. This in turn will sustain continued higher staffing costs.
44. Future drives to reduce contract and agency staff will increase IT resilience risk which could lead to systems and infrastructure failure.
45. A sustained working environment of 'fire-fighting' and bolstering with contract staff reduces development and career options for internal staff. This could lead to higher staff turnover and demotivated staff.
46. IT enabled business projects including those which have been identified in "A Modern Council – Digital Business Portfolio" will continue to be under governed and under resourced which could lead to project overruns and increased costs.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

47. Not recruiting all vacancies in a timely manner will negatively impact services and projects as contractors leave and take their knowledge with them – to mitigate this risk a phased approach to contractor use will be implemented and proactive recruitment of fixed term contracts will be taken.
48. New Heads of Service not being in place within the calendar year will delay the start of the strategy implementation – to contain this risk some tactics can be deployed without Heads of Service in place in the short term such as portfolio management and new governance around Project Management Office and Service Improvement Plans (SIP).
49. Each stage of the strategy implementation requires business areas to engage, support and alter their approach to IT. If they are not able to also commit to this strategy the transformation would stall or be partially effective. The new supporting Digital Services Charter and communication campaign will promote the new way of working. The Service Improvement and Portfolio Managers will provide new touchpoints to each business area to help embed the change.
50. Following consideration of the digital portfolio proposal at a future Cabinet meeting, the programme of works to be delivered will also influence the resourcing requirements of Digital Services; this will be considered as part of the digital portfolio investment report.

Financial Implications

51. There are Medium Term Financial Plan (MTFP) savings of £3.36m expected to be delivered from 2020/21 over 5 years. These savings will be achieved by reducing the application stack, infrastructure footprint & associated operating costs.
52. The current Digital Service budget is £11.6m, of which the staffing budget is £5.3m (2020/21) which will increase to £5.65m in 2021/22. The organisational structure proposed will fall within this budget provision.
53. Any potential redundancy or early retirement costs will be absorbed within the Digital Service staffing budget due to a number of vacant posts that are unlikely to be filled immediately as the service transitions into the new structure.

Legal Implications

54. There are no legal implications arising out of this report.

Workforce Implications

55. Where changes from the implementation of the Digital Strategy will impact on contractual terms and conditions, staff engagement and consultation are being undertaken in line with statutory requirements and agreed HR policies.

Property Implications

56. Consolidate infrastructure contained within 65 council sites (in addition to any further plans as part of the Build-the-Change programme) which will free up space and reduce the footprint.
57. A Tech-Bar will be created in the Civic building to handover and collect devices and provide initial training or technical support to ensure tools are used to their fullest.

Other Implications

58. None in the context of this report.

Options Considered

59. An option was considered to outsource most of digital services to 'managed service providers' however this option was rejected for the time being to improve internal competency and service, whilst managing costs.

Conclusions

60. The new Digital Services vision and strategy to be realised between 2020 and 2023 will be a key response to supporting the Modern Council cross-cutting theme and enable each business area to fulfil the council plan.
61. The Organisation Restructure agreed in August 2020 by the HR & Finance Board created an increase in resources needed to deliver an improved service whilst delivering a largely cost neutral budget. This was the first preliminary step in delivering a new strategy.
62. Without the new Digital Services strategy and without a new Target Operating Model to create maturity the department runs the risk of continuing a disjointed approach to IT infrastructure, applications and project management across the council.

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Date of report 2 November 2020

Appendices

Digital Services Strategy 2020 – 2023

Background Papers

The following documents have been relied on in the preparation of this report:

The Council Plan 2020-2022
The Customer Experience Strategy 2018 – 2022
The Climate Action Plan 2020
Equal Opportunities Policy 2012
Government Digital Inclusion Strategy
Enfield Corporate Plan 2018-2022
MTFP
IT-CMF Analysis
ICT Project/Programme Portfolio