



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

CABINET

Thursday, 14 March 2024

Report of the Executive Director - Corporate Services and Transformation

Digital Strategy

(Cabinet Member for Corporate Services and Budget)

1. Divisions Affected

County-wide

2. Key Decision

- 2.1 This is a key decision because it is likely to result in the Council incurring expenditure which is, or savings which are significant having regard to the budget for the service or function concerned (this is currently defined as £500,000) The strategy is wide-ranging and over-arching, but the full costs and benefits will be presented in other upcoming strategies, e.g. the Cloud Strategy, the ICT Strategy, the ICT Target Operating Model, and other digital initiatives from across all areas of the council.

3. Purpose

- 2.2 To note the inherent risks relating to the current ICT service and progress already made through initial stabilisation activity.
- 2.3 To approve the council's Digital Strategy, vision and principles for 2024 – 2028 (Appendix 2).
- 2.4 To note alternative options considered.

3. Information and Analysis

Overview

- 4.1. DCC's ICT department and services have evolved over time. The evolution has, however, fallen behind that of similar sized councils, many of whom have adopted industry standards, best practice and a more proactive approach to updating their applications, infrastructure and service portfolio. The result is that DCC's technology estate is now an outlier in comparison.
- 4.2. DCC has three key ICT / Digital risks:
 - Ensuring it has sufficient technical competence to run the council's applications to support services with effective ICT,
 - Cyber and data security and,
 - The complexity of the technology estate itself and related integrations.
- 4.3. The council's requirement for effective, well-integrated and managed ICT is growing, with a significant reliance on ICT for the provision of technology and services to support day-to-day service delivery and the enablement of efficiencies across the whole council. This requirement will be magnified and accelerated by the council's financial position. To meet this requirement effectively, the organisational approach to Digital and ICT needs to change. DCC needs to adopt a Digital Strategy to support the ambitions of the Council Plan, that clearly defines the council's digital vision for the future, and the core principles which will allow the council to achieve its vision. To enable this, the ICT service delivery needs to change its role in the organisation from operational support to transformational business partner.
- 4.4. To achieve this goal some initial work has already been carried out. An organisation-wide Digital Strategy has been developed, and to support this a Cloud Strategy, an ICT Strategy and a Target Operating Model (TOM) are currently being developed. To support the development of the strategies a Strategic Digital Maturity Assessment (SDMA) was carried out by SOCITM Advisory to assess the council's digital maturity against 10 key measures. To address the current technology estate and improve operational standards, an ICT stabilisation leadership team has been in place since March 2023.

4.5. The sections below detail:

- The current delivery of ICT services across the organisation,
- The risks and challenges the existing ICT delivery model poses,
- The actions taken to date,
- Why further change is needed,
- The core vision and principles of the Digital Strategy and how it supports the Council Plan,
- How this will enable the council to develop its services digitally and thereby deliver efficiencies and improved services.
- The other options considered.

Current ICT Service

- 4.6. ICT service delivery is fragmented. Some elements of ICT are delivered directly within Service Areas, without central ICT oversight or support. This has led to the issue of “Shadow ICT” spend outside of the core ICT Service function, which accounts for a significant additional annual spend above the core ICT spend. The result is no central visibility, governance or control of the totality of the ICT estate, or central planning for future needs.
- 4.7. The central ICT Services’ role across the organisation has, in the past, predominately been a reactive operational role, providing fix-on-fail resolution, whilst also providing technical support to large and organisation-wide change programmes. More recently there has been a shift to provide a more proactive service; however, to meet the ambitions of the organisation and establish ICT as a transformational partner for the whole council, further change is required.

Key Risks

- 4.8. The table below shows the key risks, and associated impacts, identified in SOCITM Advisory’s recent maturity assessment.

Risk	Impact
No ICT director at top table	Visibility, influence and direction of ICT has been non-existent
Lack of Leadership at AD & Heads of Service Level	Fragmented and reactive service delivery, with no roadmap for the service. Not capable of curing itself.
Lack of formal governance structure, process with clear roles and responsibilities	Siloed service delivery, decisions made late or not at all, resulting in DCC being several years behind it's peers.
Immature and under resourced Enterprise Architecture function	Ageing applications and Infrastructure with increased risk of outages, lack of integration between systems and few end-to-end solutions to provide efficient services.
No Data & Information management function	No single view of data or master data management. Significant manual effort required to provide data and evidence on which to base decisions. Decisions made without supporting information.
Lack of central contract management function and capacity to exploit opportunities – e.g. any simultaneous contract end dates - and no single point of review/approval to procure	Contract review dates that are approaching end of life at similar times present an opportunity to rationalise or repurpose systems which may be missed otherwise – retaining current levels of technical debt
Service Relationship Managers (SRM's) funded by Business Areas	SRM do not fulfil the Business Partner role, to provide triage, insight, and requirement gathering with the business.

Actions taken to date

4.9. In 2023-24 actions taken to stabilise the service included:

- The Executive Director of Corporate Services and Transformation instigated an ICT stabilisation programme.
- An external ICT management team was appointed to manage and modernise the ICT function.
- ICT industry standards and best practices were introduced.
- A Digital Maturity Assessment was conducted to assess areas for improvement.
- A Digital Strategy has been developed for the whole council.
- An ICT Strategy and supporting Target Operating Model (TOM) has been drafted and is being finalised. A Transition Plan has been developed to move the ICT Service to the Target Operating Model.
- A Cloud Migration assessment has been completed, which informs the level of investment required to minimise on-premise technology, and includes an outline of the programme of work that would be required, as well as a suggested Cloud Strategy that could be adopted by the council.
- An ICT Transformation Programme is being initiated through the council's Programme Management Office (PMO) in order to successfully deliver all the interrelated projects and strategies above, aligned to the wider council Transformation Programme, which includes the County Hall Programme.

4.10. ICT Improvements made in 2023-24 have focused on remediating the most immediate, critical risks. These were:

- Stabilising staffing through recruitment campaigns, supported by HR and engagement with colleagues across ICT.
- Instigating team-based service improvement plans.
- Implementing industry-standard ITIL-based service management (service desk & incident management).
- Reviewing systems and applications patching and implementing an industry standard patching policy.
- Introducing and regularly reviewing PDRs for all colleagues.
- Focusing on completion and regular updating of mandatory staff training.
- Supporting the successful implementation of projects, such as Mosaic, SAMS and the SAP HANA upgrade.

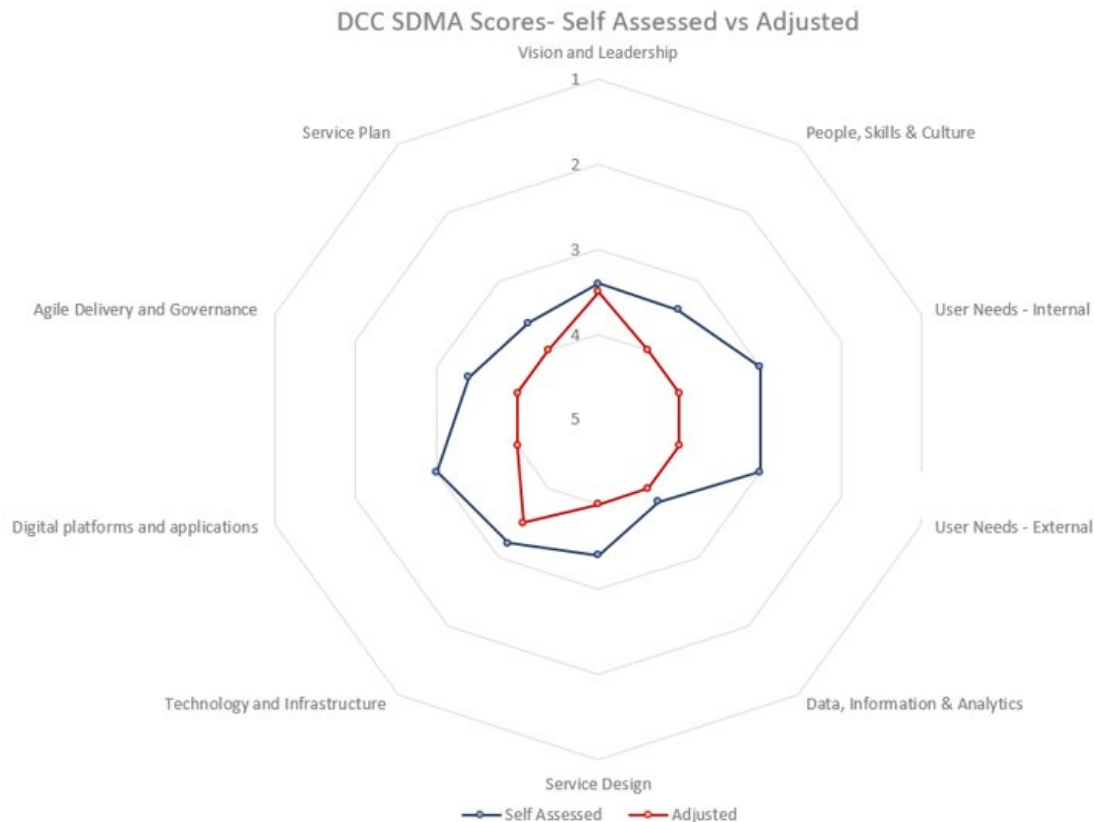
Maturity Overview

4.11. In May-June 2023 SOCITM Advisory conducted a Strategic Digital Maturity Assessment (SDMA), assessing maturity against industry standards and best practices. This assessment reviewed DCC's ICT capability, to baseline the current state. The review comprised:

- Existing skills, capacity and governance to support delivery.
- The as-is architecture landscape, and development of a to-be architecture landscape.
- ICT contracts to understand risks, provide visibility and focus on upcoming renewals.

4.12. To obtain a holistic understanding of the ICT capability, interviews and workshops were held with each of the council's four directorates: Corporate Services & Transformation, Place, Adult Social Care & Health, and Children's Services.

4.13. The SDMA reviewed DCC's capabilities against 10 themes as highlighted within the diagram below; the capabilities were assessed on scale 1 to 4 (1 represents high levels of maturity, 4 represents low levels of maturity).



4.14. The assessment established that DCC has low-level maturity in all the 10 themes. Whilst it is common for Local Authorities to be weak in two or three areas, it is uncommon for there to be no areas of high maturity.

Why further change is needed

4.15. To deliver the Council Plan, Service Areas will need significant ICT and Digital support. The council will need to enable safe and secure collaboration with partners, maximise existing resources to collectively address complex challenges, and shape future services to deliver better outcomes for residents and communities at lower cost.

4.16. ICT must transform to a more centralised operating model to deliver the capabilities the council requires. The Target Operating Model will provide the structure and governance to deliver cohesive guidance, policies and proactive planning required for a modern, digital, cloud-based ICT service.

4.17. A focus on technology and integration is required to enable the efficient delivery of end-to-end customer-centric services using repeatable technology building blocks. These are based on a rationalised set of

applications and common design principles applied through the Service Design process.

- 4.18. Better integration is needed between internal systems and securely with partners, such as the NHS, supporting improved collaboration. This will support making data available at the point of need and improve the council's data management.
- 4.19. Having the right data available, at the right time, and in the right place will enable improved and effective decision making. This means service design decisions can be evidence-based and service delivery decisions can be made at the point of need, through proactive monitoring and planning of future demand.
- 4.20. The customer experience will be improved through confidence in the accuracy of data.
- 4.21. Transition from the current ageing infrastructure, hardware, operating systems and applications to cloud-based services will help to ensure the continuity of those services.

5. Digital Strategy

- 5.1. The Digital Strategy 2024 – 28 (Appendix 2) outlines how DCC will use digital capability to support the ambitions of the Council Plan across the council. It focuses on our digital ambitions, to support the development of resilient, healthy, and safe communities. It has been designed to develop and transform our digital capabilities and culture to provide high performing, value for money focused services. Through the digital strategy it is intended to transform our approach and relationship with our key stakeholders; residents, businesses, partners, and colleagues, to deliver an improved experience and to enable more efficient service delivery.
- 5.2. The Digital Strategy has been developed to support the Council Plan and deliver on its ambitions of:
 - Resilient, healthy and safe communities.
 - High performing, value for money and resident focused services.
 - Effective early help for individuals and communities.
 - A prosperous and green Derbyshire.
- 5.3. The Digital Strategy outlines our Digital Vision, the key themes and core principles we will use to ensure we can deliver, the measures of success we will use to track our progress, and an overview of the

expected impact of the digital strategy for key stakeholders. It has been developed based on feedback from a cross-section of DCC colleagues at all levels of the organisation, and in-depth interviews with key stakeholders.

5.4. The Digital Strategy sets out the council's Digital Vision:

“By adopting a digital transformation approach, we will enhance service delivery, empowering residents and colleagues to take control of the services they use and enabling better outcomes for people. We will ensure a digitally inclusive approach that provides effective early help to residents.”

5.5. The vision is supported by four key themes that together build the capability to deliver the digital vision:

- **Engaged Residents, Businesses, & Partnerships** – proactively engage with stakeholders to co-design and continuously improve, high performing services that are focused on their needs.
- **Digitally Enabled Workforce** – ensure colleagues have the right skills and access to the right support and training to be confident in using digital technology.
- **Digitally Enabled Organisation** - develop a digital culture, where digital is seen as a key enabler. Foster collaboration among multidisciplinary teams, breaking down silos and encourage teams to work together toward common goals. Enable focused service delivery, earlier interventions and better outcomes.
- **Digitally Enabled Data & Insights** – maximise the use of corporate data by embedding processes that ensure data is handled safely and correctly, while enabling data to support decision making.

5.6. Each theme has associated principles that will support and guide the delivery of the digital vision, and measures of what success will look like.

6. Options Considered

6.1. Do Nothing

Description: Continuing to operate 'as is' with no, or very limited, evolutionary change.

Cost:- As per existing budget.

Risks:-

- Continued inconsistent and fragmented approach to the provision and delivery of services, with an ever-increasing gap to user expectations and continued risks to business continuity.
- Ever-increasing demand and pressure on front line support.
- Little or no capacity to support project work.
- Increased cost of application licences, as vendors penalise the on-premise model to incentivise cloud versions.
- Increasing ICT service outages and cyber security incidents due to ageing ICT infrastructure

Benefits:- No Benefit – but increasing risk profile.

The impact of this would be:

- Sub-optimal ICT business and delivery models with limited ability to 'join up' ICT to benefit customers.
- Significant risk of service failure due to aged infrastructure not being replaced.
- Inability to make best use of data across services, by using the available data and technologies to reduce cost and/or improve service.
- Ever-increasing complexity and associated technical debt of the ICT estate, as more point solutions are implemented, rather than considered and planned end-to-end solutions with associated longer-term costs.
- Widening inability to support Service Areas' delivery of the Council Plan.

6.2. Approve the Digital Strategy

Description:-

The corporate Digital Strategy is adopted by the wider organisation. Supporting this will be a Cloud Strategy and an ICT Strategy, supported by a new Target Operating Model centralising, standardising and modernising ICT delivery and investing in future-proofing the service. Over time the colleagues with ICT related roles and associated budgets from Childrens - Digital and Transformation and Adult Social Care & Health - ICT Projects, Partnerships & Digital Adoption will transfer to ICT.

The resulting service will adopt industry standard frameworks and governance processes to create firm foundations on which to build a modern delivery capability. The modernised ICT Service will deliver and support the wider organisation with its transformation ambitions.

Cost:- individual project and programme costs will be brought separately for approval, each with their own business case including costs and benefits. This will also include how they will be funded.

Risks:-

- Budgets not available to fully implement the ICT TOM, and therefore not maximising the benefits.
- Increased cost of application licences, as vendors penalise the on-premise model to incentivise cloud versions.
- Increasing ICT service outages and cyber security incidents due to ageing ICT infrastructure

Benefits:-

Move from a dated, reactive fix-on-fail, hybrid operating model to a more centralised model. Providing the structure, governance, proactive planning and cohesive guidance to build out the necessary strategies, policies and supporting activities to deliver a modern digital, cloud based, ICT service.

- Aligns with industry standards and best practices.
- Centralised ICT service with improved strategic controls, governance and accountability.
- Proactive management of the ICT estate.
- Board level representation for ICT
- Move away from “sticking plaster” point solutions and move to delivery of enterprise end to end solutions.
- Transparency in roles and responsibilities

What will the strategy mean to residents?

- Residents will have a positive experience using council online services.
- Residents will know where they can obtain help if required.
- Residents will be able to access services that are inclusive and multi-channel.
- Residents will have the ability and confidence to access digital services.
- Residents will receive a consistent experience when accessing services.
- Residents will have a say and be engaged with council service improvements.
- Residents will be able to feed back and be listened to.
- Residents will provide information once.
- Residents will be able to independently access information and advice easily for themselves or through their advocates.
- Residents will be able to find out what is happening in the area.

What will the strategy mean to colleagues?

- Colleagues will have a clear understanding of their part in DCC's digital journey.
- Colleagues will have the right equipment to do their job well.
- Colleagues will self-serve for the information needed for their role.
- Colleagues will have technology and data which empowers the flexibility and mobility required to do their job.
- Colleagues will have the skills and confidence to use the technology available.

What will the strategy mean for the organisation?

- The council's digital strategy will be integral to organisational transformation and the transformation of its services and its relationship with residents
- The council's culture will become more iterative, more innovative and more customer focused.
- The council's data is available to aid decision making.
- The council will be able to share information securely with partners.
- The council will be able to share information appropriately with residents and businesses.
- The council will have the capacity to plan and provide support where needed.
- The council will use data to enable joined up services and partners.
- The council will understand partner need as part of future digital initiatives.

- ICT and Service areas relationships drive digital together.

What will the strategy mean to businesses and partners?

- The strategy will enable the integration of delivery of services between partners for the benefit of residents
- Businesses and Partners will have access to documents which are easily and securely shared.
- Businesses and Partners will have access to open communication channels.
- Businesses and Partners will be a part of improving services in Derbyshire.
- Businesses and Partners will invest in the local economy and contribute to social value.
- Businesses and Partners will have access to links with local skills initiatives.
- Businesses and Partners will provide information once.
- Businesses and Partners will help make Derbyshire a place to invest.

7. Implications

- 7.1. Appendix 1 sets out the relevant implications considered in the preparation of the report.

8. Background Papers

- 8.1. None

9. Appendices

- 9.1. Appendix 1 – Implications
9.2. Appendix 2 – Digital Strategy

10. Recommendation(s)

That Cabinet:

- a) Note the inherent risks relating to the current ICT service and progress already made through initial stabilisation activity.
- b) Approve the Digital Strategy, vision and principles for 2024 – 2028 (Appendix 2)
- c) Note alternative options considered.

11. Reasons for Recommendation(s)

- 11.1. To provide DCC with a clear Digital Strategy for the whole organisation, outlining our digital ambition and the principles which will support it.
- 11.2. To provide an efficient ICT function, aligned to industry standards and best practices, that has the capabilities to provide a modern, proactive ICT Service to support service delivery and transformation.
- 11.3. To reduce the current high risk levels associated with dated working practices and an aged infrastructure and application landscape.
- 11.4. To drive efficiencies and improved customer service throughout the Service Areas through use of technology, automation and the proactive use of data.

12. Is it necessary to waive the call-in period?

- 12.1. No

Report Author: Goy Roper

Contact details: goy.roper@derbyshire.gov.uk

Implications

Financial

- 1.1 This paper seeks approval for a strategy and indicates that the cost of implementation will be the subject to further proposals and appropriate approvals.
- 1.2 Therefore, whilst there are no explicit financial implications as a direct result of this paper, it is reasonable to expect that they may flow from its further implementation.
- 1.3 There is no provision in the current budget or medium-term finance plan for any financial implications arising from subsequent proposals.
- 1.4 The financial implications of each subsequent proposal therefore must be judged on their merits and with close regard to the level of financial resource available to the Council, noting that funding may not be available as recognised as a risk in 6.2.

Legal

- 2.1 None at this stage for this report.
- 2.2 The Director of Legal and Democratic Services will provide advice on a project-by-project basis as work continues on the council's digital strategy.

Human Resources

- 3.1 None at this stage for this report

Information Technology

- 4.1 The ICT Leadership Team have been involved in the review and update of the Digital Strategy, and are fully supportive of its aims and objectives, which will be supported by the upcoming Cloud Strategy and the subsequent ICT Strategy and Target Operating Model (TOM)

Equalities Impact

- 5.1 n/a.

Corporate objectives and priorities for change

- 6.1 To deliver the Council Plan, Service Areas will need significant digital support to enable them to safely and securely collaborate with partners in new and powerful ways, maximising existing resources to collectively address complex challenges and shape future services to deliver better outcomes for local people and places.

Other (for example, Health and Safety, Environmental Sustainability, Property and Asset Management, Risk Management and Safeguarding)

- 7.1 None