

Decision Pathway – Report



PURPOSE: For noting

MEETING: Cabinet

DATE: 05 September 2023

TITLE	Digital Transformation Programme – Annual Update 2023		
Ward(s)	N/A		
Author: Tim Borrett	Job title: Director: Policy, Strategy and Digital		
Cabinet lead: Cllr Cheney, Cabinet Member for Finance, Governance & Performance	Executive Director lead: Stephen Peacock		
Proposal origin: BCC Staff			
Decision maker: Cabinet Member Decision forum: Cabinet			
Purpose of Report: This report provides an update on the Digital Transformation Programme (DTP) progress and benefits tracking.			
Evidence Base: In July 2022, Cabinet approved the Bristol City Council Digital Transformation Programme. This provided further investment to address key IT risks and continue towards a modernised simple, stable and secure digital environment which is resilient for the future. As of August 2023, the overall Digital Transformation Programme is RAG-rated as Green. Of its approved £17.99m budget envelope it has spent £6.77m to date, and this will increase at pace as key projects approach their delivery stage. The programme aims to achieve financial benefits now worth circa £1m by the time the programme reaches maturity in FY2025-26, compared to circa £0.3m anticipated when the programme was approved. However, Cabinet should note that the updated savings profile has yet to be approved by the council’s Delivery Executive meeting. The increase in expected savings results largely from cost avoidance of circa £0.6m through the re-tender of the council’s Networks provision. The programme further provides a range of non-financial benefits as shown in Appendix A1. Of the 13 projects which comprised the programme at the time of its Cabinet approval, seven are complete and six are in-flight. The programme is operating within its approved time and budget contingencies, although some specific projects within it have exceeded tolerances and have been re-profiled. Typically, this has related to time contingency rather than financial.			
Background: Business Case & Governance as stated in July 2022 The programme is structured to focus on delivery of three core elements: <ul style="list-style-type: none"> • ‘Contract Savings’ • ‘Must do’ or ‘Essential Renewal’ • ‘Enabler for Transformation’ In totality the programme was approved and allocated the expected one-off costs of £17.99m. The July 2022 report stated the overall net savings expected were to be circa £0.3m from 2025/26, as most of its financial benefits need to be reinvested to fund the programme and the ongoing costs of adopting modern technologies, such as increased			

telephony and networks costs, which were ‘must do’ projects that would otherwise have become a pressure on the council’s existing budget.

It should be noted that this programme looks to achieve a specific set of projects and objective. The programme will by no means complete the digital transformation journey that BCC and all organisations face. Continual improvement and investment in technology is required to avoid the build-up of ‘technical debt’ which has been problematic for the council in recent years and necessitated larger, more costly programmes of improvement work.

Governance – Digital Transformation Programme Board

The purpose of the board is to oversee and support the effective delivery of the Digital Transformation Programme projects, with Cabinet approving its initial TOR in July 2022. The current programme board structure is shown in [Appendix A1](#). Minor changes in membership have been approved by the Board during the year, reflecting changes to personnel and roles within the council.

Projects within DTP:

Project Title	Brief Description	Status at Aug 2023
Transformation Business Case (FBC)	Programme setup and planning (establishing DTP)	Complete
Windows 10 Rollout	Complete the deployment of Windows 10 devices across the organisation.	Complete
ID Management (PowerShell)	Changes to the Joiners / Movers / Leavers process – integration between the HR and ICT systems.	Closed – completed in part (Leavers and technical foundation for Joiners / Movers)
S&G Drive Migration	Moving user data off the on-premises data storage hardware into Cloud storage (primarily the council’s main document management system; SharePoint)	In Progress
Website Re-platform	Move the external BCC website onto a more stable and reliable software.	Complete
Telephony Replacement	Replace telephony software and ensuring it is Payment Card Industry (PCI) compliant	In Progress
Portfolio Management Tooling	Procure and implement software to manage the portfolio of programmes and projects across the organisation	Complete
Digital Strategic Partner Procurement	Procure and embed a Digital Strategic Partner to support BCC realise its digital ambitions and objectives	Complete
Networks Improvement / Replacement	Replace end-of-life networks hardware with new technologies to support greater security and resilience across BCC buildings and schools	In Progress
End User Compute (EUC)	Enhance BCC’s digital security position and leverage Microsoft subscription features.	In Progress
Third Party Contracts (ICT)	Review and negotiate chosen priority ICT department owned contracts with external supplier for annual savings including the council’s Mobile Phone provider.	Complete
Channel Shift	Deliver more (and improved) functions for citizens to complete transactions online, and support the Contact Centre to make operational savings whilst improving customer experience.	In Progress
eDiscovery for Subject Access Requests	Leverage existing Microsoft subscription tools to improve information searches for Subject Access Requests.	Closed – completed in part (Implemented on MS platforms; not cost effective to implement for social care systems)
Cloud Migration	Reduction of on-premises servers and storage, reducing the need for data centre facilities within council offices	In Progress

Brought under DTP Governance at later date:		
Business Continuity and Disaster Recovery	Review the contingency plans and recovery process in the event that services were unavailable.	Completed in part – On Hold
Hybrid Meeting Tech and AV (subject to Cabinet approval, late 2023)	Replace aging technology in the Council Chamber and Conference Hall, and implement technology to assist with new ways of working and accessibility	In Progress

Key Achievements – at a glance

- Digital Strategic Partner (Fujitsu) now on board: ability to increase volume and pace of IT delivery capacity, and reduced time in commissioning new IT projects.
- Windows 10 device deployment complete: Improved end user experience including reliability, productivity, cyber-security and collaboration. The old Windows 7 laptops that this project replaced were refurbished and distributed by the BCC 'Employment, Skills and Learning' service alongside Bristol Waste to support further education and help improve job prospects within local communities: this 'Digital Inclusion Scheme' has provided 2,512 laptops to date and continues to deliver around 100 laptops per month.
- Core Telephony solution implemented and live: Increased operational stability and reliability of contact centre solution as first step towards the in-progress Payment Card Industry Data Security Standard (PCI DSS) solution.
- PPM Tool implemented and live: Greater efficiency in programme and project delivery.
- Multiple third party contracts closed or retendered.
- External website now on stable platform, reducing of number of unplanned website outages from up to 3 per annum to zero since move to platform.
- e-Discovery Tool configured for Microsoft products (such as Outlook and SharePoint) resulting in improved opportunity to find sources of relevant information for Subject Access Requests, reducing manual effort and potentially reducing the number of follow up or clarification requests.
- Networks hardware contract awarded to FourNet for Fortinet products. The tender significantly reduced the originally expected one-off implementation costs by circa £412k (including contingency) and projected ongoing costs by an average of circa £600k per year over the next five-year period. This cost avoidance should enable greater cashable savings to be generated by DTP as a collective in coming years, as savings originally earmarked to help contain the addition cost of a new network may instead be possible to release as cashable savings, provided projects deliver their benefits and are delivered on budget.

Key Challenges overcome/lessons learned:

- Soon after the Digital Transformation Programme was approved the organisation implemented a 'Recruitment Freeze' in part to reduce operating costs. This left a number of projects with vacant positions causing delays until a process was established for dispensation. Projects with agreed funding were later able to attain exception.
- Organisational need to reduce ongoing/operational spend resulting in a restructure within ICT. The restructure has had an anticipated impact on available resources to assist with projects; projects have realigned expectations and/or their resourcing plans.
- The procurement of the Digital Strategic Partner (DSP) has been successful, however the period of embedding and establishing ways of working was not accounted for when planning the Projects that the partner would be assigned to. This resulted in the Cloud Migration project and Channel Shift project starting later than originally planned. A lead-in process and collaboration with the DSP is now better understood for DTP projects, and learnings have been used for other strategic partner procurements across the organisation.
- The eDiscovery tool was unable to be configured for third party applications including that used for Adults Social Care. This was due to there being no interfaces (APIs) available at the time to facilitate an integration through to the eDiscovery tool which would ensure that all required information associated with a subject access request could be surfaced from Adults Social Care systems. A possible workaround would have resulted in high implementation and ongoing costs (costs would have outweighed the efficiency benefits gained).

Key Challenges the Programme is facing now:

- S&G Drive Migration:
 - The project requires the deletion of old and unused files, the clean-up of folder structure and file names. This can only be performed by the services across the organisation and so requires their support to perform this.
 - The migration itself is a challenge due to the size of the data, the number of services involved, and the complexity of file types. For context, close to 50m files are stored on S&G. No single solution is possible therefore an approach for a fully ICT/project supported migration has been agreed; this will require DTP funding to be redirected to support. The timeline will also be significantly longer.
- Email Security: The Microsoft services available to BCC include an email security product which is being evaluated against the existing product (ProofPoint) as a means to reduce operating costs. Selection after evaluation will require senior support and consideration of risk based on the performance of the alternative toolset.
- The aims of the Channel Shift project are to reduce operating costs and increase customer experience. There are multiple ways in which the savings can be made; the project is therefore performing proof-of-concepts to establish a multi-pronged approach to the challenge.
- The Telephony product implemented must be enhanced to provide greater security and compliance to the Payment Card Industry standards: The project is uncovering a greater number of services across the organisation of which take card payments by phone than anticipated, and must ensure they are technologically compliant. This requires additional discovery work and may mean process redesign is needed for some or all of the services in question. This will require support from their service management and may increase project cost, but compliance is not optional.

Financial spend (one-off costs within the £17.99m approval)

- Actual Spend (including committed spend): **£6,764,968** (as shown in finance system on 02 August 2023)
Note: Some projects are in early stages of which have yet to have earmarked funding formally allocated. The rate of spend is behind what was expected at FBC approval (July 2022). This was caused by the Digital Strategic Partner being mobilised later than originally expected resulting in a later start of the Channel Shift and Cloud Migration project, and the Networks project re-tender delaying the (now reduced) hardware spend.
- Forecasted minimum total programme spend: **£14,507,111** excluding contingency.
Note: These only include spends within the allocated programme budget. It does not include spend on projects under DTP governance with alternative funding sources. E.g. Hybrid Meeting Tech and AV.

The organisation has informed the Programme Sponsor of potential shortfalls in available funding from Flexible Use of Capital Receipts. There has therefore been a request to reprofile and reduce spend where possible and reduce DTP's funding requirements within this financial year where possible. The programme is working with Finance colleagues towards releasing specific funding sources from closed projects, projects with reduced scope / reduced forecasts, and contingency where a risk-based decision can be made to do so. This may introduce additional financial risk in future should funding be released but later needed as contingency funding.

Programme Benefits – Net position and change since July 2022

- Average Net Programme Savings over MTFP lifetime as per FBC in July 2022: £337k
- Average Net Programme Savings over MTFP lifetime as per July 2023: Preliminary calculations show £1.03m. This is an improvement of £636k.
Note: MTFP positions are subject to Delivery Executive approval which have yet to be sought.

The net average return increase is largely as a result of the Networks Replacement project following a successful tender, with lower one-off and ongoing costs. This is aided both by technology decisions made within DTP and by the council's plans to reduce its office estate.

Some net savings have been realised now; however, these are not material and are being used (as planned) to cover the programme's own costs. Improved maturity of savings come from financial year 2025/2026 at the point in which all DTP projects should have completed and any additional net benefit can be realised.

Programme Benefits – Non-financial

Non-financial benefits are being tracked within the programme and are aligned with the stages of the projects. A summary of benefits for closed projects can be found in [Appendix A1](#) with greater detail in [Appendix A2](#). The most significant non-financial benefits have been noted in section above, "Key Achievements – at a glance", including the capabilities of which the Digital Strategic Partner offers the organisation, and greater stability of the telephony solution ensuring that citizen calls are not interrupted by technical faults.

What this work means for BCC:

- **Improved Cyber Security:** Cyber security is crucial because it safeguards all types of data against theft and loss. The council holds a significant amount of sensitive data, protected health information, and personally identifiable information. The services that the BCC provide to citizens in some circumstances can literally result in life-or-death situations (E.g. Safeguarding); the ability to ensure that those services have access to their systems is of utmost importance. Improvements to cyber security is an embedded within all DTP projects, from migrating data to cloud services, to new laptop device, and new networks hardware.
- **Financial benefits of reducing ongoing cost,** reducing the baseline annual spend of the organisation contributing to improved financial stability, resource allocation for priority services, optimised operations leading to enhanced service quality, and changes leading to further innovative and modern digital solutions.
- **Payment Card Industry (PCI) compliance:** Any organisation that stores, processes or transmits card data must comply with the Payment Card Industry Data Security Standard. There are several advantages to ensuring full PCI compliance, including protecting citizens' card data and reducing the risk of a data breach. It also helps prepare the organisation to detect and prevent both physical and network-based attacks.
- **Moving to Cloud based services:** May reduce operational costs (if the council successfully optimises its systems and removes unneeded data and systems), reduces chances of data loss, and improves use of modern collaboration. This also means security controls in the cloud service can keep control over who has access to the information and what they can do with it and provides use greater auditing and visibility to see how the information is being handled.

Cabinet Member / Officer Recommendations:

That Cabinet:

1. **Notes** the update on the Digital Transformation Programme's progress and benefits as outlined in this report.
2. **Notes** that a report will continue to be brought to Cabinet annually to update on the programme's progress and benefits tracking.

Corporate Strategy alignment:

Digital transformation work supports and enables the [22-27 Corporate Strategy](#) ambitions, in particular:

1. Development Org - "The council is larger than most of its counterparts and not always more efficient or effective. We need to consider what the right size, shape and scale is for the city's future needs, streamline processes and target our limited resources to those most in need given the financial pressure we face."
2. ED02 One Council - "We need to work more smartly and intentionally together as 'One Council'."
3. ED03 Employer of Choice - "Support them with improved digital tools and technology".
4. EDO4 Data Driven - "We own a wealth of information and data, and through an ongoing programme of digital transformation we are able to do more with it".
5. EDO5 Good Governance - Resilience theme – "We must keep a good financial grip and manage things

effectively without making things too bureaucratic and unwieldy, because part of being resilient means being able to be fast, flexible and adaptable in what we do”.

6. Resilience - “Build Bristol’s city resilience through early intervention, minimising our contribution to future environmental, economic or social shocks and stresses. Build our ability to cope by learning from our past, taking a preventative approach and planning for long-term outcomes that support resilience”.
7. “Make sure that we are financially competent and resilient, offering good value for money.”

City Benefits:

1. As the leading Smart City in the UK Bristol citizens and users of our services rightly expect a digital experience comparable to other areas of their lives. Excellence in digital service delivery frees up staff to be able to spend more time answering phones and conducting face to face meetings in order to support people more effectively.
2. As described in our Corporate Strategy the way in which the council will interact with its citizens will need to change, delivering quicker and better outcomes, helping the council to be more efficient whilst making things easier for citizens.
3. Our digital ambitions have a critical part to play in achieving the future vision of a council that encourages inclusion, independence and enablement of all its citizens.
4. Our digital implementation plans are being designed to achieve the right balance of minimising operational cost whilst maximising the quality and effectiveness of our services.

Consultation Details:

- Internal officer and Cabinet Member engagement along the decision pathway in the lead up to this Cabinet date.
- Cabinet Member Briefing – Update April 2023
- Corporate Leadership Board Meeting – Update May 2023
- Cabinet Member Briefing – Update July 2023
- Executive Director Meeting – Update August 2023
- Digital Strategic Partner – Request for comment from Fujitsu Account Manager for Cabinet assurance DSP – See [Appendix B1](#)
- The programme is scheduled to provide updates to Resources Scrutiny Commission and the Audit Committee during September and October 2023.

Background Documents:

Digital Transformation change and governance update ([Audit Committee – January 2023](#))
 Digital Transformation Programme – combined programme ([approved at July 2022 Cabinet](#))
 Digital Strategy 2022-27 – (approved [at June 2022 Cabinet](#))
 Digital Plans and Strategic Partner – ([approved at April 2022 Cabinet](#))
 Digital Transformation Programme – 1st tranche of work ([approved at Cabinet September 2021](#))
 Network & Telephony Contract extension ([approved at Cabinet July 2021](#))

Revenue Cost	£ -	Source of Revenue Funding	No additional funding being requested
Capital Cost	£ -	Source of Capital Funding	No additional funding being requested
One off cost <input type="checkbox"/>	Ongoing cost <input type="checkbox"/>	Saving Proposal <input type="checkbox"/>	Income generation proposal <input type="checkbox"/>

Required information to be completed by Financial/Legal/ICT/ HR partners:

1. Finance Advice:

The Digital Transformation Programme is operating within its financial approvals. The Programme continues to work with finance colleagues to establish savings and to release funding where no longer required. There is finance representation at all Programme Boards.

Finance Business Partner: Olubunmi Kupoluyi, Finance Business Partner, 10 August 2023

2. Legal Advice: This report provides an update on the progress of the Digital Transformation Programme. There are no specific legal implications arising from this report.		
Legal Team Leader: Husinara Jones, Team Manager/Solicitor, 8 August 2023		
3. Implications on IT: This programme ensures that the council is using digital technology that is up-to-date, secure, and supportive of efficient working across the council. It provides a solid foundation for further development and exploitation of emerging technologies, including but not limited to predictive analytics, process automation and AI. Note that information technology ages rapidly and requires constant investment if it is to remain reliable, usable, and representative of best practice. The benefits of investment in digital transformation will continue through the years to come.		
IT Team Leader: Paul Day, Interim Head of IT Operations, 09 August 2023		
4. HR Advice: No HR implications.		
HR Partner: James Brereton, Head of HR, 08 August 2023		
EDM Sign-off	Stephen Peacock, Chief Executive	16 August 2023
Cabinet Member sign-off	Cllr Cheney, Designated Deputy Mayor with responsibility for Finance, Governance & Performance	31 July 2023
For Key Decisions - Mayor's Office sign-off	N/A	N/A

APPENDIX

Appendix A – Further essential background / detail on the proposal <ul style="list-style-type: none"> A1 DTP Update to Cabinet – September 2023 A2 DTP non-financial benefits Sept_2023 	YES
Appendix B – Details of consultation carried out - internal and external. <ul style="list-style-type: none"> B1 Digital Strategic Partner – Account Manager – Comment on DTP 	YES
Appendix C – Summary of any engagement with scrutiny	NO
Appendix D – Risk assessment	NO
Appendix E – Equalities screening / impact assessment of proposal Individual projects will have sought and provided Equalities impact assessments at least as each project gateway and updated through delivery.	NO
Appendix F – Eco-impact screening/ impact assessment of proposal Individual projects will have sought and provided Eco-impact assessments at least as each project gateway and updated through delivery.	NO
Appendix G – Financial Advice	NO
Appendix H – Legal Advice	NO
Appendix I – Exempt Information	No
Appendix J – HR advice	NO

Appendix K – ICT	NO
Appendix L – Procurement	NO