| Agenda Item | **15** |
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| Report No | **HC/07/24** |

**HIGHLAND COUNCIL**

**Committee:** Highland Council

**Date:** 14 March 2024

**Report Title:** Highland Council Digital Strategy and Ambition

**Report By:** Interim Depute Chief Executive

## 1 Purpose/Executive Summary

1.1 This report provides an update on the Council's Digital Strategy implementation. It also proposes a Digital Ambition for the Council, building on the Digital Strategy and effectively updating the strategy to recognise current challenges and priorities. The report also addresses how that could be delivered both as a core theme and as specific projects within the Council Delivery Plan. The Digital Ambition aims to focus attention and resources on the areas of change that will derive greatest benefit to the Council.

1.2 The report sets out initial resources required to build momentum and to support the delivery of Digital Foundations and the Digital Ambition.

Appendices to this report provide greater detail.

Appendix 1 – Digital Strategy
Appendix 2 – Comparison with others
Appendix 3 – Methodologies and approach

1.3 Implementation of the Digital Strategy is now very much part of the overall Council Delivery Plan with digital and data being incorporated into the key programmes in that plan. Digital Transformation is also a theme picked up on by Audit Scotland in their recently published Highland Council Best Value Thematic Report 2022-23, recognising it as a strategic leadership priority.

1.4 The specific digital technology initiatives taken forward through the implementation of the Strategy will be informed by an exercise carried out by the Council in January 2024 in conjunction with external advisors looking across a range of public and private sector organisations best practice use of digital and data innovation. This exercise assessed a number of transformation opportunities across all Service areas to identify opportunities for the use of innovative technology to improve service delivery and generate revenue savings.

## 2 Recommendations

2.1 Members are asked to:-

    i)    **Approve** the proposed Digital Ambition in section 6.3;

    ii)    **Note** the proposed implementation approach in section 7;

    iii)    **Note** the proposed approach to deliver Digital Foundations can be fully resourced for 2 years from ICT earmarked reserves; and

    iv)    **Note** that, during the 2-year period, an assessment will be made of the effectiveness of the use of resources and a case made for continuation if justified.

## 3 Implications

3.1 **Resource:** This report makes the case that substantial savings are likely to be achieved by better corporate use of data and automation through digital processes. However, current team resourcing is not sufficient to provide the level of support for transformation required. A proposed approach is presented as part of the overall Council Delivery Plan with additional resources detailed. These resources will be funded for an initial 2-year period through the ICT earmarked reserves. During that period an assessment will be made of the effectiveness of this investment with options provided and a business case made for continuation of the resources beyond 2 years if appropriate.

3.2 **Legal:** There are no direct Legal implications arising from this report.

3.3 **Community (Equality, Poverty and Rural):** Any use of technology needs to consider the digital gap and the need to plan services that are accessible to all. It is also key that staff have the required skills to support and deliver those services. Increasing digital skills across the Council is a key element of the Digital Foundations described in the Digital Strategy.

3.4 **Climate Change / Carbon Clever:** Automation and the introduction of new technologies can contribute to reduced travel, by enabling more effective remote working and by ensuring staff who do have to travel to deliver services have access to the information they need when they need it. However, due consideration also needs to be given to the carbon footprint of the technology itself and an assessment of the sustainability of cloud data centres used for hosting applications and data.

3.5 **Risk:**

3.5.1 There is a risk that investment in technology and resources does not generate any real savings. This can be mitigated by creating robust business cases, putting in place suitable programme governance and ensuring buy-in from stakeholders for the business changes required.

3.5.2 There is also a risk that it is not possible to attract suitably qualified and experienced people. It is proposed that all recruitment options are considered (targeted advertising, graduate roles etc) but potential mitigation may also include buying in resource from specialist suppliers, noting that such an approach may come with extra cost and management overheads.

3.6 **Health and Safety (risks arising from changes to plant, equipment, process, or people):** There are no direct Health and Safety implications arising from this report.

3.7 **Gaelic:** There are no direct Gaelic implications arising from this report.

**4        Context - Highland Council Digital Strategy 2022-2027**

4.1     The Council's current Digital Strategy was approved at the meeting of the Corporate Resources Committee held on 8 September 2022. It followed on from the previous approach to Digital outlined in the Digital Ambition 2020 document.

4.2     The Digital Strategy sets out a vision of what is needed to support the change to being a more digital Council and a framework to support digital projects across the Council. It was presented alongside the revised ICT Strategy which was also approved at the same meeting of Corporate Resources Committee.

4.3     In the strategies, clarity is given on what the terms 'ICT' and 'Digital' mean to the Council. Various definitions exist, but for the purposes of the Highland Council, the following meanings have been adopted:

- **Digital** – means *the use of technology to modernise and transform the way services are delivered*. This is an all-encompassing definition that covers the people and process aspects as well as the technology itself. It is as much about a new way of thinking about service delivery as it is about technology. Digital transformation begins and ends with how we think about and engage with the customers and users of the services.

- **ICT** – means the *day-to-day provision of technology to allow Council services to be delivered.* This technology, and the support and management of it, is critical for service delivery but on its own it does not provide direct benefit. ICT is one the components, alongside people, data, processes and other resources, that enable services to be delivered.

4.4     More details about the Digital Strategy and current progress are covered in **Appendix 1**.

**5        Context – Highland Council Information and Data Strategy**

5.1     The Council's Information and Data Strategy was also approved at the meeting of the Corporate Resources Committee, held on 8 September 2022. It sets out the Council's approach to achieving the right balance between making information more widely available whilst ensuring that adequate protection is in place.

5.2     The Information and Data Strategy recognises that the way we do business with our customers will rely increasingly on digital services and that business intelligence and information management will be used to adopt a data-informed approach to the delivery of operations. To maximise this potential and to meet the requirements for Digital Transformation, we need to manage information effectively, re-use it where possible, share it appropriately and ensure it is adequately protected.

5.3     Implementation of the Information and Data Strategy will involve changes to policies, processes and technology. It will also fundamentally lead to changes in the way services are delivered and therefore the activities that staff are carrying out.

5.4     As there is a dependency for implementing Digital Ambition on the outcomes of the Information and Data Strategy, the Council Delivery Plan includes projects relating to Digital and Data Foundations within the Corporate Solutions portfolio. More detail of these projects is given later in this report.

## 6        Digital Ambition

6.1    The Digital Strategy is recognised by Audit Scotland as reflecting good practice seen across the country. However, in the light of the budget situation something more is needed to tie it to the delivery of significant savings and to contribute to organisational change.

6.2    The Digital Ambition outlined here sets the direction for the next phase of the Digital Strategy implementation, in line with the budget challenge and the Council Delivery Plan. This ambition recognises that technology alone will not bring the required results but needs to looked at in combination with changes to business processes, people and data.

6.3    The Digital Strategy states an aspiration to reach level 5 of the Gartner Digital Maturity model by 2027, from a baseline of level 3 in 2022. The diagram below gives a brief description of the required position to be in to reach levels 4 and 5.
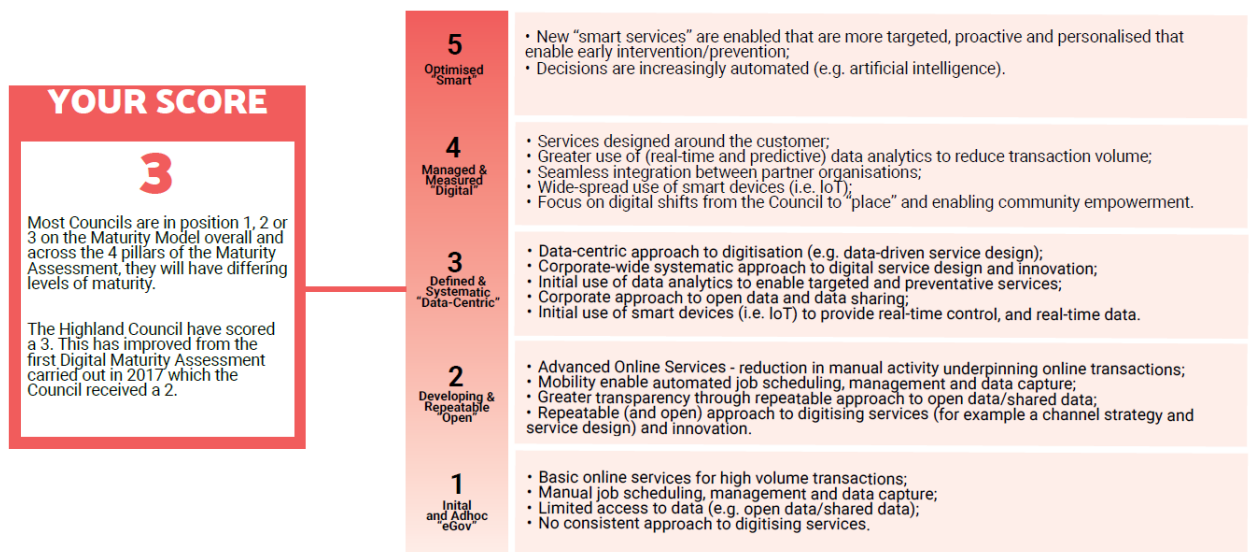


6.4    As an example of how existing initiatives are contributing towards this aspiration, the first two bullet points of level 4 are key principles demonstrated in the design of the My Council Programme.

6.5    The next step would then be to build on those My Council outcomes by introducing services that are more targeted, proactive and personalised. With accurate, well-maintained data on customer transactions it should also be possible to bring in more automation. **Automation of manual processes is the key mechanism for realising savings from Digital transformation**.

6.6    Based on the characteristics of levels 4 and 5 of the Digital Maturity Model, it is proposed that the Council's high level Digital Ambition should be to:

- *design Council services with customers at the centre supporting the customer journey through to its outcome;*
- *those services being proactively targeted towards the people and businesses who need them and would benefit from them;*
- *using business intelligence, derived from accurate and maintained data, to inform service delivery and to continuously improve;*
- *ensuring digital services are delivered in a manner that is secure, free of barriers, reliable, trusted and accessible; and*
- *providing an integrated single view to the customer of the services being provided.*

Examples of these principles in action would include:

- using the right data about citizens to proactively identify what benefits and assistance could be available to them;
- dynamic scheduling and routing of bin collections based on the volumes and weights of different materials;
- automation of Council Tax transactions and administration;
- marketing leisure services in a targeted way to maximise use of facilities and the income received;
- provision of a secure 'citizen account' providing a single location to see personalised information of relevant Council services and progress of any requests, applications, complaints or enquiries;
- video calls with tenants to remotely assist with Council housing faults;
- providing the required data in the hands of frontline staff enabling them to deliver services effectively at point of contact; and
- integrating real-time data to provide insight and intelligence for rapid decision making.

## 7 Implementing the Digital Strategy and Ambition

7.1 Neither the Digital Strategy nor the Digital Ambition states which Council functions are the priority areas to focus on. That needs to be driven by:

- Scope for significant improvements and savings and
- Identification of the actual business problems that need to be addressed.

If the emphasis is on generating efficiencies and resulting budget savings, then this will most likely be as a result of automation of manual processes and reduction in non-productive effort such as double-handling – both leading to reduced staffing requirements.

7.2 As detailed in **Appendix 1**, there has been progress over the last year to implement the Digital Strategy. This report outlines a revised implementation approach aiming to ensure that both the strategy outcomes and the requirements of the new Council Delivery Plan are achieved.

7.3 The Council Delivery Plan, also presented to this meeting of the Highland Council, commits to a portfolio of programmes and projects organised in themes to show explicitly how we will deliver on Council commitments:

- Person centred solutions
- Workforce for the future
- Reconfiguring our asset base
- Corporate solutions
- Income generation
- Net Zero, Energy Investment and Innovation

7.4 Digital and Data are cross-cutting themes across the whole Delivery Plan and a number of the projects detailed in the plan will either deliver digital/data capabilities or be dependent on those capabilities created. This is in line with the vision statement in the Digital Strategy which states that:

*Digital Transformation is recognised as an integral part of the Council's organisational development and is consistently aligned with the corporate vision for the Highland Council and is supported by strong leadership.*

The Digital Strategy also states that:

*For the Council to now further progress digital it must become integrated into the way we approach service delivery, improvement and design … it cannot be a bolt on approach or driven solely by a small core team. The customer must be at the heart of service design with the Council adopting a balanced approach based on the people who do the work, the processes that underpin the work and the technology used to enable it.*

7.5     By combining delivery of the Digital Strategy with the overall Council Delivery Plan, this will ensure that resources are aligned with clear priorities.

7.6     As well as cross-cutting themes, there are specific projects within the Delivery Plan portfolios to deliver digital and data capabilities. Within the Corporate Solutions Portfolio, the following projects are identified that directly relate to the implementation of the Digital Strategy:

- Digital Foundations
- Data Foundations
- Digital and Data Solutions

## 8      New Digital and Data Solutions

8.1     The core outcomes of the Digital Strategy are detailed in **Appendix 1** and these have not changed.

8.2     Delivery of the Digital Ambition will now require more specific outcomes to be defined relating to:

- Improvements to service delivery
- Budget savings
- Digital Foundations
- Data Foundations

8.3     Through January 2024, workshops have been held across Services to develop a 'digital blueprint' of potential digital projects that would result in service improvements and budget savings. Starting with a list of over 40 potential projects, developed through engagement with external advisors based on their experience of working with other UK councils and technology providers, a process of fast-track validation is being followed to develop digital projects to be taken forward in the Council Delivery Plan.

8.4     The Digital Strategy lists a number of **Digital Foundations,** and some progress has been made in these areas. They cover:

- Communication and engagement
- Embedding digital and data themes in Service planning
- Developing a plan to implement the Business Intelligence Vision
- Creation of a "Digital Hub" providing support for digital development in Services.
- Engagement with strategic partners such as the Local Government Digital Office and the Improvement Service
- Leveraging key technology suppliers such as Microsoft

- Developing Digital, Data and Technology (DDaT) skills across the Council
- Embedding digital and data themes in Workforce Planning

Additional focus and resources will now be needed to develop further and embed these Digital Foundations to support staff.

8.5    Finally, it is recognised, and confirmed by the recent digital innovation work, that a set of **Data Foundations** will also be required in order to derive meaningful benefits from digital projects. These Data Foundations are likely to lead to the following outcomes:

- access to the right corporate data for the right people and systems;
- the conditions to allow the safe deployment of modern technology (such as AI);
- clear processes to ensure data stewardship – ownership, data quality, common classification and referencing schemes etc.; and
- appropriate technology infrastructure to support corporate data usage and business intelligence – data warehouse, customer/user authentication, reporting/visualisation tools, real-time system integrations etc.

8.6    Further work is required to define the full scope of these **Data Foundations** and it is envisaged that this would be enabled by commissioning support from specialist suppliers. This is a critical area that needs to be carefully constructed to ensure that data is used appropriately, securely and efficiently.

## 9    Resources and Investment

9.1    Resources in ICT and Strategic Improvement are currently fully committed and other central support services are also stretched to deliver the programmes and projects already underway. To move at any pace with the Digital Ambition will require either additional resources or a re-purposing of existing resources within the Council. Details are given below of the resources to cover the proposed approach for a period of up to 2 years. This will be funded from ICT earmarked reserves and an assessment made within the 2-year period of the need and case for continuation of the resources based on their effectiveness.

### 9.2    Digital Foundations resources
9.2.1    It is proposed that the following resources are required to deliver the digital foundations:

- Project Manager (HC10) – 12 months
- 3 Digital Business Partners (HC09) – 24 months
- COST – approx. £355k.

9.2.2    The plan would see a Project Manager setting up the structure and driving the delivery of the Digital Foundations but only for the first 12 months, as the Business Partners would then be fully established. Although 2-year funding is requested for the Business Partners, the value of the roles will be assessed to determine whether there is a case for making them permanent.

9.2.3    It is also expected that the Digital team would work very closely with the People Development team for the provision of training and development resources.

### 9.3    Data Foundations resources
9.3.1    It is proposed that the following resources are required to deliver the data foundations:

- 2 Senior Technical Officers (HC09) – 12 months
- Provision for specialist supplier input

- Input from existing data/Business Intelligence staff in Service teams
- COST – approx. £250k (assuming that Service input will be available with no backfill)

9.3.2 The Data Foundations work will be led by existing staff in ICT Services with input from the Performance and Governance team responsible for Information Management. The approach being proposed is informed by the approach taken in other local authorities that we have been liaising with – "hub and spoke" with a small central specialist team co-ordinating and providing support for the existing teams in Services who know their business data and processes well. The approach is also one of starting small and focussing on where the immediate needs are to support the key programmes within the Council Delivery Plan.

9.3.3 As with the Digital Foundations, a review of the roles will be carried out to determine what the sustainable future support model will be, based on the value delivered through the project.

Designation: Interim Depute Chief Executive

Date: 1 March 2024

Authors: Jon Shepherd, Head of ICT & Digital
Dan Scott, Service Lead (Strategic Improvement)
Allan Henderson, Service Lead (Enterprise Architecture)
Miles Watters, Performance and Information Governance Manager

**Appendix 1 – Highland Council Digital Strategy**

Development of the Council's Digital Strategy was informed by three key sources of information:

- **Scotland (A Changing Nation – How Scotland Will Thrive In A Digital World)** – this is the national digital strategy for Scotland co-authored by Scottish Government and the Local Government Digital Office. It was built on the findings of an Audit Scotland report "Digital Progress in Local Government" published in January 2021.

- **Digital Maturity Assessment** – carried out in 2022 by the Council in conjunction with the Local Government Digital Office. This was the second such assessment, with the Council scoring 3 on a 1-5 scale – an improvement from the 2 scored previously.

- **Staff Survey** – carried out by the Council in 2021 to gather ideas and views from staff on digital transformation.

The Council's Digital Strategy has been recognised by the Local Government Digital Office as representing good practice.

The Digital Strategy is framed around three areas of focus -



And three themes –



The core outcomes are:

1. Our citizens and our people are at the heart of service design and development.

2. Digital, Data and Technology (DDAT) skills and development are a core part of workforce planning.

3. Digital is an integral part of Service Planning and delivery.

4. Elected Members are supported in the development of digital skills.

5. Core resources are established to support Services develop and implement plans for digital.

6. Digital is sponsored by the Council's Corporate Management Team and is a core component of the Authority's organisational development journey.

7. Established and accessible Digital Champions Network in place.

8. A Business Intelligence and Data-informed, collaborative cross-Service approach is adopted throughout day-to-day operations.

9. The Council has an agile Digital Strategy that continues to evolve and improve with active monitoring and adoption of new technology, innovation and skills development.

10. The Council's Digital Maturity reaches Level 5 on the Gartner Model by 2027.

**Implementing the Strategy**

The High-Level Implementation Plan that accompanied the Digital Strategy is split into two areas: Digital Foundations and Digital Projects.

**Digital Foundations** are the support mechanisms required to sustain a Digital Council and to embed digital into the organisation. They mostly relate to people and process rather than technology. The Foundations are:

- The **Digital Strategy** itself
- **Communications and Engagement**
- **Digital and Data** built into **Service Planning**
- Vision for **Business Intelligence and Data Maturity**
- Creation of a **Digital Hub** as a centre of excellence and support
- **Strategic Partnership Engagement**
- **Leveraging Key Suppliers**
- Creation of **Digital Champions Network**
- Support for developing **DDAT Skills**
- **Digital** as a key theme in **Corporate Workforce Planning**

**Digital Projects** are then the range of programmes, projects and initiatives that will deliver changes to technology, data and the business processes underlying service delivery. These will deliver the visible organisational change leading to benefits for the Council such as financial savings and improved service. The current portfolio of Strategic Improvement projects includes the following programmes and projects which are helping to deliver Digital outcomes:

- **My Council Programme** – fundamentally a digital programme aiming to make significant improvements in customer service from first contact through to fulfilment, focussing first on Housing.

- **Connected Customers** – delivering online services for Council Tax, Non-Domestic Rates, Benefits and Housing rent accounts.

- **People & Finance Programme** – migration to a new corporate finance application and a complete review of HR and payroll data, processes and functionality.

- **Health & Social Care Secure Communications** – focussing on foster care and adoption.

- **Health & Social Care Case Management** – replacement of the CareFirst application and opportunities to redesign business processes.

- **Passenger Transport** – two projects introducing technology to support home to school transport and the in-house bus service.

- **Managed Print Transformation** – rationalisation of printers and the move to a cloud printing solution.

Progress with **Digital Foundations** – the main areas that have progressed in the year since the Digital Strategy was approved are:

- **Service Planning** – embedding digital thinking in the service planning process.

- **DDAT Skills** – the Learn Microsoft online learning site was launched early in 2023 and has seen significant usage – over 4,600 visits since launch in January 2023.

- **Digital Hub** – building on the existing Improvement Network (formerly the ICT Change Network), the new Improvement Hub which includes Digital is due to be launched in December 2023.

- **Digital Champions** – research and engagement with the People Development Team, other councils and content suppliers has taken place. This is being taken forward as part of the Improvement Network and a forum will be set up in the Microsoft Viva Engage platform to support collaboration.

- **Workforce Planning** – there has been input from the ICT Services & Digital team into all Service workforce planning workshops.

- **Partnerships** – there has been continued engagement with the Local Government Digital Office (LGDO) at a number of levels, including planning for regular digital maturity assessments, a national project to improve communications between councils and NHS and in the Digital Leaders forum which will inform the work programme of the LGDO.

Overall, progress has been more limited than hoped due to lack of dedicated resources to take the work forward. What has been achieved so far has been largely through the hard work of a single project officer fitting the work in with other projects.

Progress with **Digital Projects** – the positive news is that some ambitious projects are in flight which will drive forward improvements in line with some of the areas identified in the Digital Strategy. There is also no shortage of improvement ideas coming from Services that could lead to future projects. This demand for tactical change is welcomed but what is needed now is a stronger connection between those ideas and the strategic priorities of the Council with the aim to make a more effective use of limited resources to deliver greater value where most needed.

**Appendix 2 - Comparison with Others**

As with the development of the Digital Strategy, it is sensible to compare our Digital Ambition with other organisations in order to learn from good practice. One example is that of the [Government of Canada](#) which states a digital ambition - *To enable delivery of government in the digital age for all Canadians. This will be done by providing modernized and accessible tools to support service delivery that expresses the best of Canada in the digital space.*

It continues to say *Delivering Government in a Digital Age is about putting the needs of the people we serve at the heart of the government policies, programs and services we deliver, through the use of modern technology and effective use of data.* These statements are backed up by a set of Digital Standards:

- Design with users
- Iterate and improve frequently
- Work in the open by default
- Use open standards and solutions
- Address security and privacy risks
- Build in accessibility from the start
- Empower staff to deliver better services
- Be good data stewards
- Design ethical services
- Collaborate widely

Although working at a different level and focus, the Canadian model is not unlike that outlined in this report.

**Appendix 3 – Methodologies and Approach**

It is recognised that work must commence quickly and progress at pace to meet the budget challenge. However, it is important that it is built on good practice and core principles to ensure long-term success and sustainability.

At a more detailed level and complementary to SAtSD are The Open Group Architecture Framework (TOGAF) and the methodologies already used to some extent in the Council related to Lean 6 Sigma, in particular the Define/Measure/Analyse/Improve/Control (DMAIC) method.

Using these methodologies, a structured, systems approach can be followed resulting in the clear definition of the Council's business model and goals with data and systems aligned to that.

**Scottish Approach to Service Design**

The core methodology is the Scottish Approach to Service Design (SAtSD), the core principles of which are listed below (as per https://www.gov.scot/publications/the-scottish-approach-to-service-design/):

1. We explore and define the problem before we design the solution.
2. We design service journeys around people and not around how the public sector is organised.
3. We seek citizen participation in our projects from day one.
4. We use inclusive and accessible research and design methods so citizens can participate fully and meaningfully.
5. We use the core set of tools and methods of the Scottish Approach to Service Design.
6. We share and reuse user research insights, service patterns, and components wherever possible.
7. We contribute to continually building the Scottish Approach to Service Design methods, tools, and community.

**TOGAF**

The Open Group Architecture Framework helps business align IT goals with overall business goals. It helps to define and organise requirements before a project starts and helps to provide a strong focus on ensuring business objectives are met. It is particularly useful for Agile project delivery. The diagram below shows the TOGAF Architecture Development Method – a process for developing the various architectures in an organisation in a structured manner in line with business goals. We are at the Preliminary Phase.
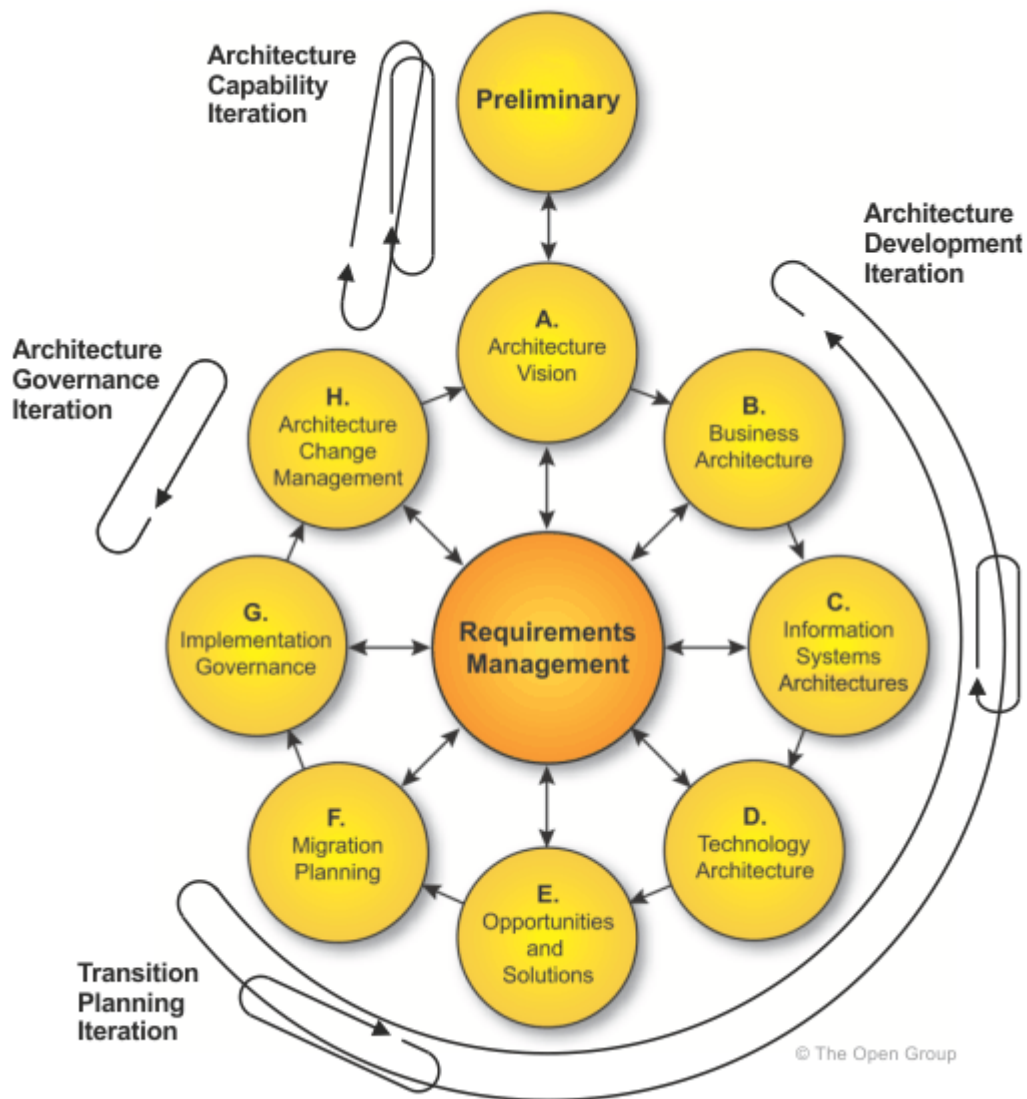
**DMAIC**

DMAIC comes from Lean 6 Sigma. It is a data-driven improvement cycle used for optimising business processes. The process includes five phases: defining the problem, improving the activity, identifying the opportunities for improvement, setting project goals, and meeting the needs of the customer (internal and external).