CONNECTED KNOWLEDGE INVESTMENT PROPOSAL
Councillor Mrs Blake
Cabinet Member for Commercialisation and Business Transformation

1   Purpose

1.1   The purpose of this document is to present the investment proposal for Phase 2 for the delivery of Connected Knowledge (CK) strategy starting in April 2018. The full Connected Knowledge Technology Strategy 2017-2022 was agreed at the Feb 2017 Council meeting, and Phase 1 funding was agreed in May 2017. It is still proposed that the strategy is implemented in a phased manner which will give the opportunity for the inevitable learning from the early phases. The phase 1 progress was presented in November 2017, and it is envisaged that phase 2 will also be presented back 6 months after kick off in April 2018.

1.2   In line with the original recommendation that a further set of funding would be required this paper sets out the information to support a decision to approve the funding for the second phase based on presentation of both the costs and expected benefits to be achieved.

2   Recommendations/for decision

2.1   Cabinet is recommended to include within its budget proposals to Council provision for £1.53 million from the unallocated balance of 2017/18 New Homes Bonus funding for the investment specified in Section 1.0 of Appendix B. This funding being required so that work can continue on delivering a leading edge, forward thinking platform to enable AVDC to develop customer first processes, a streamlined internal operation and a framework for increased opportunities for external commercial sales.

3   Executive summary

3.1   The delivery of the Connected Knowledge strategy is central to enabling AVDC to continue to make savings in the delivery of services, to remain at the vanguard of innovative thinking and to the delivery of excellent Customer Service. It also provides the opportunity to generate income by both supporting general commercial opportunities and also by providing consultancy services to other Councils keen to emulate the approach being taken by AVDC.

3.2   The strategy will be delivered over a 5 year period, with benefits being achieved in a phased manner. The first phase of this programme is coming to an end and this paper provides an update on phase1 achievements and covers the delivery of phase 2 to the end of 2018 financial year. Inevitably there will be valuable learning from the first phase which has been factored in to the proposals for future phases. An update was provided to Cabinet in November 2017, and a request for further funding will be taken to Cabinet, Scrutiny and Council in December 2017 and January 2018.

3.3   AVDC continues to have a good track record of delivering large scale, strategic programmes of this type. The Commercial AVDC, 'Right Here Right Now' and Phase 1 of the Connected Knowledge Programme are leading edge, high profile, transformation programmes that have been successfully delivered.

3.4 The focus on the customer and staff experience, the culture of innovation, the leaning of processes, the security of the data, and the exploration of new technologies are all part of the forward thinking approach to change the council model and become more commercial.

3.5 Phase 2 requires investment across these three key areas

- Innovation - the introduction of innovative new solutions such as voice recognition and artificial intelligence for call handling and decision making
- Transformational - the rollout of internal process automation and customer self service
- Legacy reduction - the removal of legacy technology and introduction of more flexible systems that will further support integration of data to enable customer needs to be anticipated.

3.6 Experience in previous major change programmes indicates that strong governance processes are required both to ensure that the programme delivers on time and to budget and that any variations to scope (and cost) are closely scrutinised, appropriately approved and that benefits realisation is tracked.

3.7 The release of the funds during the programme (and the benefits realisation) will be closely monitored by the governance board to ensure ongoing value for money. With any major change programme of this type there will be inevitable changes as circumstances change, lessons are learned and customer needs evolve.

4 Supporting information

4.1 Details of the full Connected Knowledge Strategy can be found on the AVDC website.

https://www.aylesburyvaledc.gov.uk/technology-strategy

5 Resource implications

5.1 A programme of this size, scale and complexity requires dedicated people to ensure focus on delivery is maintained throughout the lifecycle and ensuring successful programme delivery. Specifically;

- Programme Manager (1) – To manage, and control, the overall programme and the outcome it delivers.

- Project Managers (4) – To deliver individual projects, outputs, within the programme. It is envisaged that one of these will be a senior project manager.

- Business Analysts (3) – To complete detailed analysis into current process(es), costs, technology solutions and resources. To assist in project delivery.

- Data Scientist (1) – To complete detailed analysis into the data ADVC currently has, to match to external data sources, to identify potential improvements or opportunities. To assist in project delivery.

- AVDC staff (if/where available) will be used to fill programme roles and will be supplemented by external resource where a) there is insufficient

internal resource, b) there is a requirement for a specific skillset which is not available internally within AVDC. Project support resource will need to be provided.

- Additional [non dedicated] resource will also be required from other internal teams such as Communications and Marketing, Project office support, Sales, Finance, Legal.

5.2 Member involvement will be essential to assist with the direction and benefits realisation of the programme.

5.3 Further resourcing details can be found in Appendix B.

5.4 The total investment funding required in 2018/19 is calculated as £1.53 million.

5.4 The Connected Knowledge strategy is central to the many of the efficiencies that the Council is trying to deliver in order to balance future budgets and produce a financially sustainable, customer focused organisation in the face of a growing customer base.

5.5 Whilst the whole programme is designed to achieve efficiencies and reduce costs, these savings are required to balance future budgets and can therefore not be used to support the capital borrowing that would be required to enable this programme to continue.

5.6 It is therefore proposed that part of the currently unallocated 2017/18 balance of New Homes Bonus is allocated to fund this programme through 2018/19 as, if successful, the programme will be vital to the delivery of a financially sustainable council, able to serve the needs of a growing community.

5.7 If agreed, part of the programme of works proposed here includes meeting the new data handling compliance requirements associated with the European General Data Protection Requirements (GDPR) directive. Some of this is new cost to the Council and sits outside of the efficiency work. The revenue cost of this is estimated at £100,000 per annum and a pressure has been included in the draft Budget proposals also include on this Cabinet's agenda.

Connected Knowledge

Technology Strategy 2017-2022 Delivery

Phase 2 Investment Proposal

Appendix A

Version: 2.0

Date: 28th Nov 2017

Authors: Maryvonne Hassall

Andrew Small

1.0 Purpose

The purpose of this document is to present the investment proposal for Phase 2 for the delivery of Connected Knowledge (CK) strategy starting in April 2018. The full Connected Knowledge Technology Strategy 2017-2022 was agreed at the Feb 2017 Council meeting, and Phase 1 funding was agreed in May 2017. It is still proposed that the strategy is implemented in a phased manner which will give the opportunity for the inevitable learning from the early phases. The phase 1 progress was presented in November 2017, and it is envisaged that phase 2 will also be presented back 6 months after kick off in April 2018.

In line with the original recommendation that a further set of funding would be required this paper sets out the information to support a decision to approve the funding for the second phase based on presentation of both the costs and expected benefits to be achieved.

2.0 Recommendations

1. That the investment specified in Section 1.0 of Appendix B be approved and funded so that work can continue on delivering a leading edge, forward thinking platform to enable AVDC to develop customer first processes, a streamlined internal operation and a framework for increased opportunities for external commercial sales.

3.0 Executive Summary

The delivery of the Connected Knowledge strategy is enabling AVDC to continue at the vanguard of innovative thinking, delivering excellent Customer Service, and making savings in delivering services. It provides the opportunity to generate income by both supporting general commercial opportunities and also by providing consultancy services to other Councils keen to emulate the approach being taken by AVDC.

The strategy will be delivered over a 5 year period, with benefits being achieved in a phased manner. The first phase of this programme is coming to an end and this paper provides an update on phase1 achievements and covers the delivery of phase 2 to the end of 2018 financial year. Inevitably there will be valuable learning from the first phase which has been factored in to the proposals for future phases. An update was provided to Cabinet in November 2017, and a request for further funding will be taken to Cabinet, Scrutiny and Council in December 2017 and January 2018.

AVDC continues to have a good track record of delivering large scale, strategic programmes of this type. The Commercial AVDC, Right Here Right Now and Phase 1 of the Connected Knowledge Programme are leading edge, high profile, transformation programmes that have been successfully delivered. The focus on the customer and staff experience, the culture of innovation, the leaning of processes, the security of the data, and the exploration of new technologies are all part of the forward thinking approach to change the council model and become more commercial.

Phase 2 requires investment across these three key areas

- Innovation - the introduction of innovative new solutions such as voice recognition and artificial intelligence for call handling and decision making
- Transformational - the rollout of internal process automation and customer self service

- Legacy reduction - the removal of legacy technology and introduction of more flexible systems that will further support integration of data to enable customer needs to be anticipated.

Experience in prior major change programmes indicates that strong governance processes are required both to ensure that the programme delivers on time and to budget and that any variations to scope (and cost) are closely scrutinised, appropriately approved and that benefits realisation is tracked.

The release of the funds during the programme (and the benefits realisation) will be closely monitored by the governance board to ensure ongoing value for money. With any major change programme of this type there will be inevitable changes as circumstances change, lessons are learned and customer needs evolve.

4.0 Background

AVDC's success in delivering our previous five year 'cloud' strategy (storing and accessing data and programmes over the internet rather than on local hard drives and servers) has been recognised in the local government world with many other councils looking to emulate the changes made by AVDC and in the winning of a number of awards.

The advances we have made have created a strong foundation for the next five years, enabling us to think bigger and more creatively about the challenges and opportunities and how we are best positioned to benefit from them.

Our customers (residents, businesses, parishes, members, staff) continue to make more use of the internet and expect the council to be able to deliver on line services that deliver real value. Internet usage has increased across all age ranges, and access to internet services has improved.

Internet usage is on the increase

89% ...OF ADULTS IN THE UK have recently used the internet

99% ALMOST ALL ADULTS aged 16-34 years old were recent internet users

41% ...OF OVER 75s have recently used the internet. This figure has almost trebled from 2011

Councils can gain significant benefits by shifting from traditional and expensive channels to ones that allow the citizen to self-serve.

Data provided by Office for National Statistics (ONS)

5.0 Connected Knowledge (CK) Programme

The programme consists of a number of projects which build on previous deliveries to enable AVDCs future vision of improved access to services, and increased levels of customer self service, through the use of better technology.

The programme will enhance customer experience and deliver solutions which underpin a flexible, modern working environment. It will streamline IT within the council, resulting in a reduction in the number of applications and associated licencing and support costs.

It will also deliver the technology service which delivers significant savings and is required to support the councils future commercial ambitions.

It will enable AVDC to move away from reliance on proprietary IT services such as Microsoft's Windows system and to a service which enables staff and Customers to access services using any device using a web browser.

5.1 Phase 1 Delivery

Phase 1 has delivered a series of projects and has raised the council's commercial profile by show casing our innovative deliverables and transformational processes.

The programme is delivering

- the first council to have an Alexa skill
- use of Artificial intelligence in customer services
- a new corporate network with improved resilience
- a new public wifi network with capacity for staff usage
- new licensing and environmental health system on an integrated platform
- new building control system on an integrated platform

- new planning and land charges system on an integrated platform
- more resilient Revenues and Benefits system

The following benefits have been delivered

- reduced processing time by staff in areas such as customer fulfilment
- improved online services for customers
- voice activated services which improves accessibility for customers
- improved customer access with webchat
- reduced loss of working hours due to systems outages
- office footprint reduction enabling floor space letting opportunities

Commercial opportunities

- Increased interest in commercial council offerings
- Hosted a Digital By Design conference in June
- Engaged with multiple councils
- Presented Digital journey at Conferences such as Socitm, AWS Transformation Day, Council of the Future, AI / Bots, Nesta


5.2 MyAccount Results so far

This section shows the results of the analysis of the current MyAccount. The information is designed to be representative at a snap shot in time as the information continually changes. The MyAccount data has been correlated against the Acorn socio demographic data which has shown the profile of

accounts to be representative of the cross section of population across the Vale. The number of MyAccount users continues to rise. As at November 2017 there were 46,000 accounts. The usage of MyAccount has increased, with more people logging in more often. Usage is spread across the age groups and across the Vale.
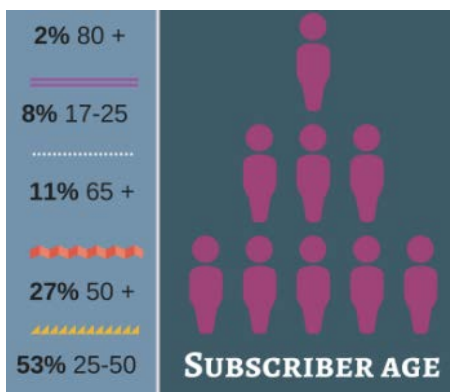
% of population across the Vale using MyAccount (shown right). Each ward is represented by a different colour. The segments are roughly equal in size representing the fact that at the MyAccount usage per ward as a percentage of population is roughly equal.
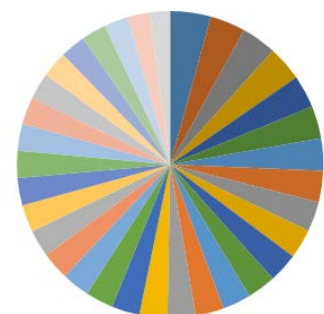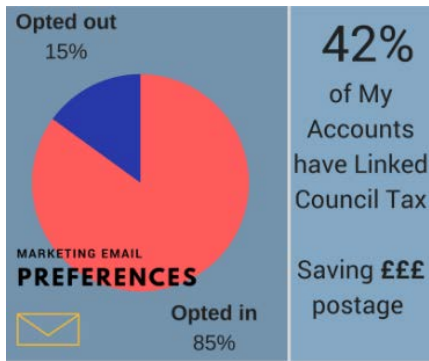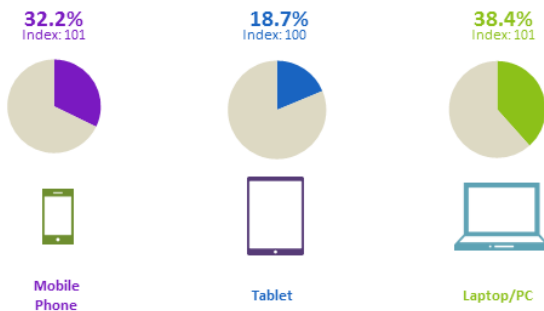
The majority of the MyAccount residents have not opted out of marketing which suggests this would be a good platform for future marketing activity. There are also a significant number of residents who have linked to their council tax record which is more convenient for the resident and saves the council money.
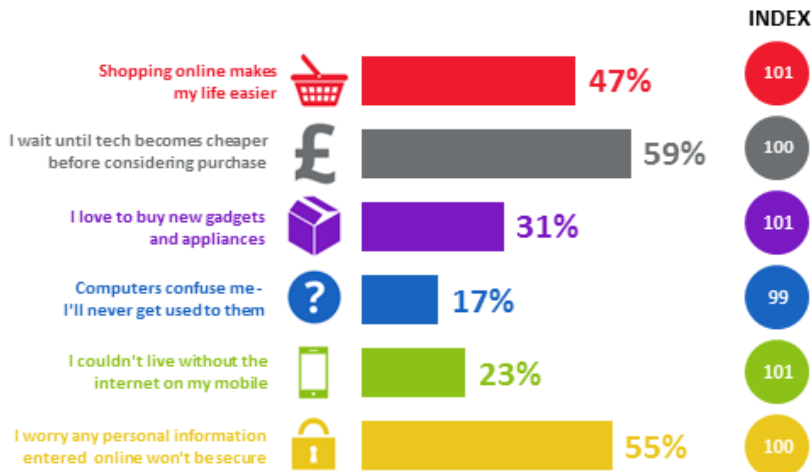
In terms of device types and use of Digital the following two graphics represent the MyAccount residents across the Vale.

SOCIAL NETWORK DEVICE TYPE

32.2% Index: 101	18.7% Index: 100	38.4% Index: 101
Mobile Phone	Tablet	Laptop/PC

DIGITAL & SOCIAL MEDIA
ATTITUDES

INDEX

Shopping online makes my life easier	47%	101
I wait until tech becomes cheaper before considering purchase	59%	100
I love to buy new gadgets and appliances	31%	101
Computers confuse me - I'll never get used to them	17%	99
I couldn't live without the internet on my mobile	23%	101
I worry any personal information entered online won't be secure	55%	100

5.2 Phase 2 delivery elements

Phase 2 will build on phase 1 and will deliver a further series of projects and initiatives.

Phase 2 will deliver

- Further voice controlled services for customers
- Improved MyAccount functionality based on customer insight and targetted marketing
- Improved waste management services based on common platform
- Improved financial processes
- More on line booking services
- Enhanced data protection
- Improved staff systems
- Improved connected working for staff

The following benefits will be delivered

- increased breadth and depth of on line services for customers leading to increased self service
- further reduction in processing time by staff in areas such as customer fulfilment
- voice activated and artificial intelligence services which improves customer accessibility
- improved staff connected working to allow greater agility
- improved systems resilience leading to less downtime and greater staff productivity

6.0 Timescales
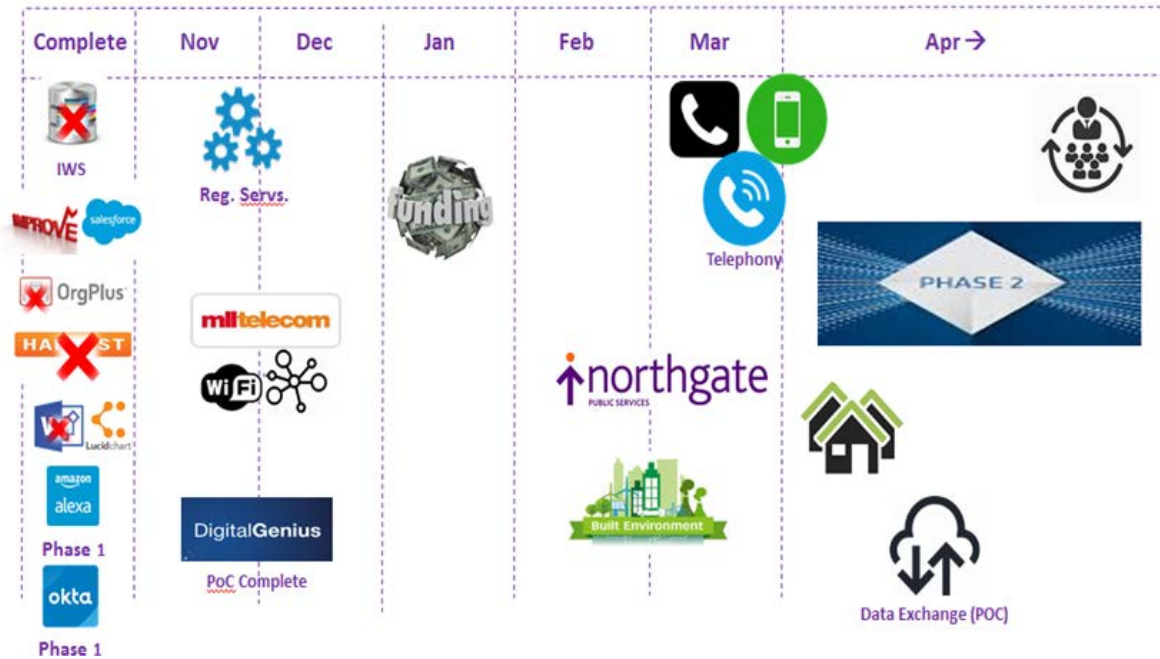
Phase 2 Key Milestones [indicative timescales]

Dec 2017 – Cabinet

Jan 2018 – Scrutiny and Cabinet and Council

Feb 2018 - Detailed planning work

Mar 2018 – Mobilisation of team

April 2018 – Phase 2 commences

7.0 People Required to implement the Strategy

A programme of this size, scale and complexity requires dedicated people to ensure focus on delivery is maintained throughout the lifecycle and ensuring successful programme delivery.

Programme Manager (1) – To manage, and control, the overall programme and the outcome it delivers.

Project Managers (4)– To deliver individual projects, outputs, within the programme. It is envisaged that one of these will be a senior project manager.

Business Analysts (3) – To complete detailed analysis into current process(es), costs, technology solutions and resources. To assist in project delivery.

Data Scientist (1) – To complete detailed analysis into the data ADVC currently has, to match to external data sources, to identify potential improvements or opportunities. To assist in project delivery.

AVDC staff (if/where available) will be used to fill programme roles and will be supplemented by external resource where a) there is insufficient internal resource, b) there is a requirement for a specific skillset which is not available internally within AVDC. Project support resource will need to be provided.
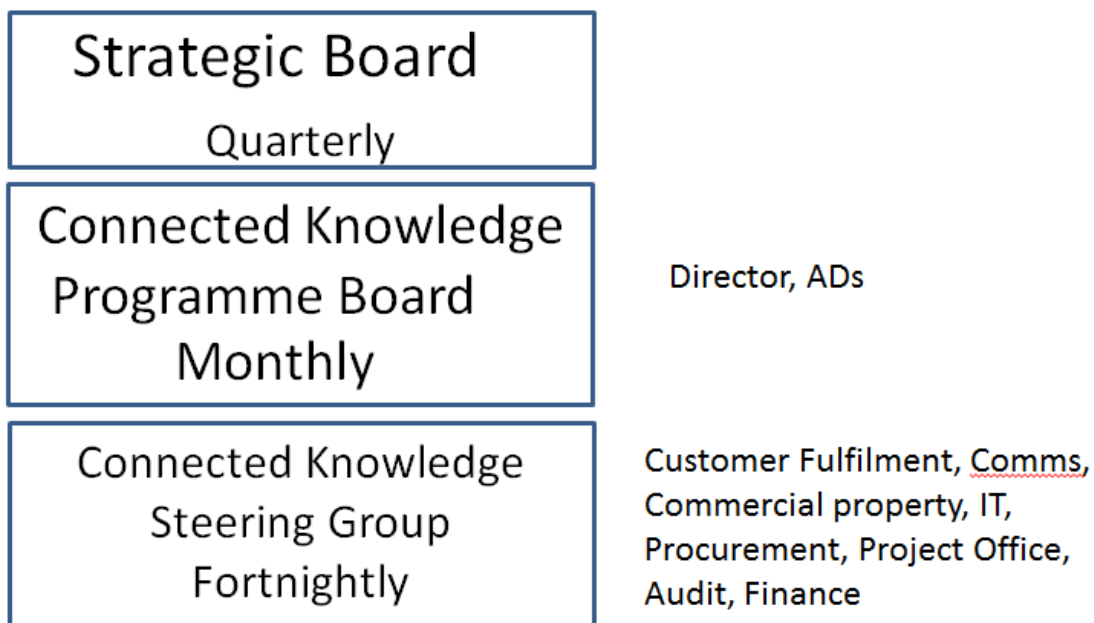
Additional [non dedicated] resource will also be required from other internal teams such as Communications and Marketing, Project office support, Sales, Finance, Legal.

Member involvement will be essential to assist with the direction and benefits realisation of the programme.

Further resourcing details can be found in Appendix B.

8.0 Programme Governance

The programme governance has been set up as part of Phase 1 and currently takes the following form. It is envisaged that this governance framework will continue.

Strategic Board	
Quarterly	
Connected Knowledge Programme Board Monthly	Director, ADs
Connected Knowledge Steering Group Fortnightly	Customer Fulfilment, Comms, Commercial property, IT, Procurement, Project Office, Audit, Finance

The existing Strategic Board will be reported into on a quarterly basis.

The programme board will meet monthly and ad hoc as required, and will be comprised of senior members and Officers from both AVDC and our senior delivery partner.

The board will have overall responsibility for the success of the Programme to deliver the strategy and ensure that the promised benefits of the programme are fed back into the wider Council. Fundamentally the Programme Board will ensure that the right things are done in the right way at the right time and that risks to the programme are being appropriately managed at all times. Specifically the board will:

- ensure that a comprehensive risk register is established and maintained and that risks are managed appropriately at all stages of the programme.
- agree and approve the overall programme delivery plan.
- allocate project budget and tolerances
- agree any overspend over project tolerance
- ensure that controls and processes are in place to ensure that promised benefits from the programme are
- review progress reports from all ongoing projects
- approve projects for inclusion into the pipeline
- agree gain share credits with the supplier for each projects, and the mechanisms for their applications
- receive reports on sales activities and sales pipeline
- resolve all issues arising or escalated to the board
- approve annual gain share amounts, following reports / audits as appropriate commitment.

The role of the board, and individuals on the board, will be further defined as part of the Programme mobilisation.

The programme board will report into the AVDC Strategic Board and will be supported by the central AVDC Project Management Office.

9.0 Costs, Benefits and Funding

See also Appendix B.

The majority of the investment is required to be spent in 2018, with the bulk of [cashable] benefits being delivered from year 2 onwards.

Benefits will be realised, primarily, via the following:

- [Reduction in headcount] due to the automation of processes
- Reduction of operational IT costs: licences, system retirement, desk phones, , amazon web services, general maintenance
- Reduced office footprint for AVDC staff as a result of modern, flexible working which enables rental of office space to third parties to generate income
- Commercial income: Commission from suppliers selling services based on AVDC expertise Conferences, Consultancy provided by AVDC to other organisations.

It is worth nothing that there are a number of [non-cashable] benefits which will also delivered by the programme, these include:

- An agile modern network with increased reliability.
- With flexible working enabled across AVDC through the deliver of the connected working programme, a productivity gain across the workforce could be experienced. East Riding council experienced a 20% uplift in productivity as a result of introducing flexible working.
- Improved disaster recovery capability. A flexible workforce ensures service levels can be maintained in the event of a disaster scenario where employees cannot use, or attend, Aylesbury Vale offices. Scenarios include fire, weather incidents, bird flu pandemic, fuel strike, terrorism
- Environmental benefits, reduction in CO2 emissions due to less employee commuting,
- Delivery of this programme will maintain AVDCs position as an innovative leader within local government
- Provides a canvas from which to market commercial propositions to other local authorities/councils to generate sustainable sales and income

10.0 Programme Risks

Risk	Mitigation
1.0 Programme may not deliver the benefits detailed within the approved business case	Robust governance will be in place to monitor benefits, with reviews taking place at regular intervals throughout the programme lifecycle. Responsibility for benefit management, post programme completion, will be handed over to a named individual.
2.0 Programme Costs might increase	Robust governance will be in place to monitor budgets and spend, with reviews taking place at regular intervals throughout the programme lifecycle. A named individual from finance will work alongside the programme manager to ensure programme spend remains within tolerance, and to ensure any variation to forecast is noticed, and addressed, at the earliest opportunity.
3.0 Programme may not deliver to timescales	AVDC has a history of successful programme and project delivery, with large deliveries being broken up into smaller delivery components to reduce complexity and aid rapid delivery. Delivery of these components is spread across the duration of the programme and, when combined with robust governance, ensures delivery is achieved within agreed timescales
4.0 External suppliers may not deliver	AVDC will select suppliers that have a proven track record and will carefully govern delivery. Output based deliverables will be used at milestones.
5.0 External factors may impact programme	There are many external factors that will impact this programme such as the Unitary decision. These factors will be monitored as they develop and the impact evaluated at each decision point.
6.0 Internal resources not allocated to or are lost from the project	This programme is strategically significant for AVDC to enable delivery of the commercial future. The programme will ask through the corporate programme office for the right internal skills and try to ensure upskilling of internal staff takes priority over external staff.

12. Appendix B

Investment for Phase 2

The investment proposal requires an investment of £1.53m to deliver the first phase of the Connected Knowledge programme in the period April 2018 to March 2019. This phase will be funded in the large part by a proposed use of New Homes Bonus.

	Cost	Ongoing Revenue impact
Innovation	340K	20K
Transformation	470K	60K
Legacy Reduction	220K	125K
Resourcing	500K	N/A
Total	1.53m	205K

	Benefit 2018	Benefit 2019
Efficiencies	60K	270K
Cost Down		10K
Cost Avoidance	30K	40K
Income Generation	40K	100K
Total	130K	420K

The summary revenue savings and costs are built in to the Budget Planning report for 2018/19. The investment drives much of the organisational change programmes anticpitaed over the next few financial planning years and enables the Authority to deliver a significant element of the proposed savings. Some savings are directly attributable, specifically those identified above, but others indirectly result from the Connected Knowledge programme and are harder to quanttify.