



Digital First:

Strategy & Roadmap

Contents

1	Digital First: Vision	3
2	Digital First: Strategy	4
2.1	Strategic Priorities	4
2.1.1	Digital Services that people prefer	5
2.1.2	Supporting partners develop better services	5
2.1.3	Dialogue where conversations naturally occur	6
2.1.4	Easy IT that just works	6
2.1.5	Joined up processes and information	6
2.1.6	Mobile working	7
2.2	Key Outcomes	7
2.3	Strategic Pillars	8
2.3.1	Responsive and Flexible ICT	8
2.3.2	Build a Digital Platform	9
2.3.3	Data and Insights	10
2.3.4	Design and Development Capabilities	10
2.3.5	Proactive and Responsive Communications	10
2.3.6	Change Management	11
2.3.7	New Ways of Working	11
3	Roadmap	13
4	Financial Considerations	15

1 Digital First: Vision

Our investment in being “Digital First” will deliver in three key areas:

▶ **Better, faster customer services**

Customers will receive frictionless services, based around their needs. As they access our services they will feel known to us and be not required to repeat themselves or provide information they should expect us to know. Beyond this, our focus will be on customer service and this will be evidenced by our exceptional Net Promoter Score, sentiment analysis and qualitative feedback.

▶ **Improved operational efficiency**

As we digitise our processes, we will simplify and automate as much as possible, seeking to enable self-service and processes that require zero or minimal human interaction. This will result in an accumulation of savings which means Digital First will cover its long-term costs.

▶ **Building new revenue streams**

We have proven our ability to expand commercially, and the importance of developing commercial services. We believe Digital provides further opportunities to bring in new revenue streams, from providing further value-added services to residents, local organisations and partners, including neighbouring councils.

We define Digital as applying the culture, practices, processes and technologies of the internet era to respond to people’s raised expectations.

Fundamentally, we believe that investing in Digital will provide: a better experience for all, improved customer service for the majority, through our digital channels and importantly, more targeted specialist support through our non-digital channels.

2 Digital First: Strategy

This section sets out the overarching strategy, by setting out:

- ▶ **The strategic priorities**
What is the focus of Digital First
- ▶ **The desired outcomes**
What we will achieve by focusing on these priorities
- ▶ **The strategic pillars**
What we need to do to deliver in the priority areas

2.1 Strategic Priorities

The central focus of Digital First is to improve both Citizen Engagement, how we communicate, work with and deliver services to citizens and Operational Excellence, how we work more efficiently and intelligently in all that we do. As part of Citizen Engagement and Operational Excellence we see six key strategic priorities, as captured in Figure 1.



Figure 1: Strategic priorities of Digital First

2.1.1 Digital Services that people prefer

Digital services enable people to access services from a location and at a time that works for them and provides a level of convenience that citizens have rightly come to expect. The challenge though, is to make digital services better than existing traditional channels; it has to be easier than simply picking up the phone.

Mobile devices provide the ideal interface to fulfil the vision to provide service from any location or time; it allows people to act in the moment, for example when they see something they wish to report. To be successful the hard work must be done to make the service as simple as possible. Services offered via a mobile device can't ask citizens to enter information into complex forms or require significant input. This is a principle that should be applied to all digital services. We should only ask for information we have no other way of accessing. We need to reduce friction and be smarter in using the information we have or can automatically access, removing unnecessary steps or prompts from user action. In this way, we will build digital services people prefer to use.

By providing digital services that people prefer to use WDC will benefit from the cost savings associated with channel shift. The cost of face-to-face and telephone contacts are normally measured in pounds, whereas contacts via digital services can be measured in pence.

A key aspect of the strategy is that if we can better serve the majority over lower cost digital channels, then we can provide more tailored and focused services for those that have additional needs via non-digital channels. This means we improve services for all, not just the digital savvy.

When successful, delivering Digital Services that people prefer means we make their day-to-day life easier, they can transact with the council with minimum effort. When successful, we also help them support the community, for example making it easier to report issues or share important information about what is going on in their community.

2.1.2 Supporting partners develop better services

WDC has worked successfully to outsource services to partners and citizens now benefit from better services at a lower cost. It was also noted that this has put a gap between the service user and the council and whilst this isn't an issue currently it is felt this gap is likely to increase over time.

The council is well placed to build on past success to engage with partners and citizens to design and deliver better services. A model of co-development based on a platform for capturing, discussing, implementing and evaluating ideas will ensure WDC proactively

maintains a close relationship with service users. By sharing more information between partners, services can be developed with a broader information base - one which provides a deeper understanding of citizen's needs and greater context.

2.1.3 Dialogue where conversations naturally occur

It is recognised that as an organisation we focus on print and not enough attention is given to social media. This means that the council misses the opportunity to gauge sentiment or engage early in discussions to correct misconceptions before they take hold.

The traditional approach to managing communications via printed media means that the council limits its ability to act in a responsive way, with clear examples, where communications have not kept pace with stories of interest whilst they unfold. By taking a more systematic approach to managing social media channels WDC will be more responsive to citizen's perceptions or concerns.

Similarly, it is felt the council should be more proactive. By joining conversations where they naturally occur citizens will feel they are listened to and will be more engaged in the developing plans for the community. More structured campaigns around developments will ensure WDC are able to lead the conversation, informing, gauging sentiment and gathering feedback before plans are launched. A more proactive approach to communications will reduce effort overall, as issues are addressed early on and enables risk management processes to be better informed.

2.1.4 Easy IT that just works

Productivity is hit when IT doesn't work or is clunky. Officers and members have provided examples of the current IT falls short, forcing imperfect workarounds and impacting day to day working.

IT and IT service management will be reviewed and refreshed to provide a more customer centric experience and delivering IT that just works.

2.1.5 Joined up processes and information

To deliver Digital Services that people prefer to use WDC will ensure there is greater sharing of information between departments where processes are joined up across citizen services. This will enable the "tell us once" philosophy, support automation of processes, improve data quality and minimise effort for the service user.

To deliver against this desire there needs to be consistent and coherent information and systems architecture that ensures that there is a single view that underpins services.

2.1.6 Mobile working

Mobile working means officers and members will be able to access the systems and information they require regardless of location. Technology enables this by providing secure and seamless access via multiple devices. Where line of business applications are not suitable for mobile access, then it is anticipated that they will be replaced or alternative interfaces will be developed to support key use cases. For example, attaching photos and notes to a case whilst out in the field.

A key element of the workstream will be the systematic assessment of access, of how officers and members access systems and information. It is anticipated that building on the work to join up processes and information, new interfaces will be developed. By building a better understanding of how and why officers and members access systems, we will also invest in technologies that support a broader range of access but expanding the use of mobile device management, cloud access security brokers and single-sign-on.

2.2 Key Outcomes

- ▶ **Digital Services that people prefer to use**
 - ▶ Majority of service transactions are fulfilled through digital channels
 - ▶ Residents think digital first
 - ▶ Members and officers think digital first
- ▶ **Supporting partners develop better services**
 - ▶ We have co-developed services with partners and citizens, helping to build capacity and deliver better citizen services
- ▶ **Dialogue where conversations naturally occur**
 - ▶ Actively listening to service users and communities and demonstrably addressing issues and misunderstandings early on
 - ▶ Successful campaigns that lead, inform, gain feedback and demonstrably improve the launch of new plans
- ▶ **Mobile Working**
 - ▶ Officers, members and citizens have access to services via multiple devices
 - ▶ Officers in the community have direct access to systems, potentially via dedicated mobile applications that integrate and provide a simplified view of existing systems
 - ▶ Improved productivity through transformation of working practices in the field

- ▶ **Easy IT that just works**
 - ▶ Improved productivity – with systems that are more reliable and reduce friction
 - ▶ Improved productivity – provisioning of commonly used and intuitive applications
- ▶ **Joined up processes & information**
 - ▶ Customers “tell us once,” – reduced repeat information requests and rekeying
 - ▶ Improved data quality, with systems that automatically synchronise
 - ▶ Customers are recognised (and verified) by services in a consistent way

2.3 Strategic Pillars

To support the strategic priorities five workstreams have been identified, which are underpinned by change management and new ways of working (see Figure 2).

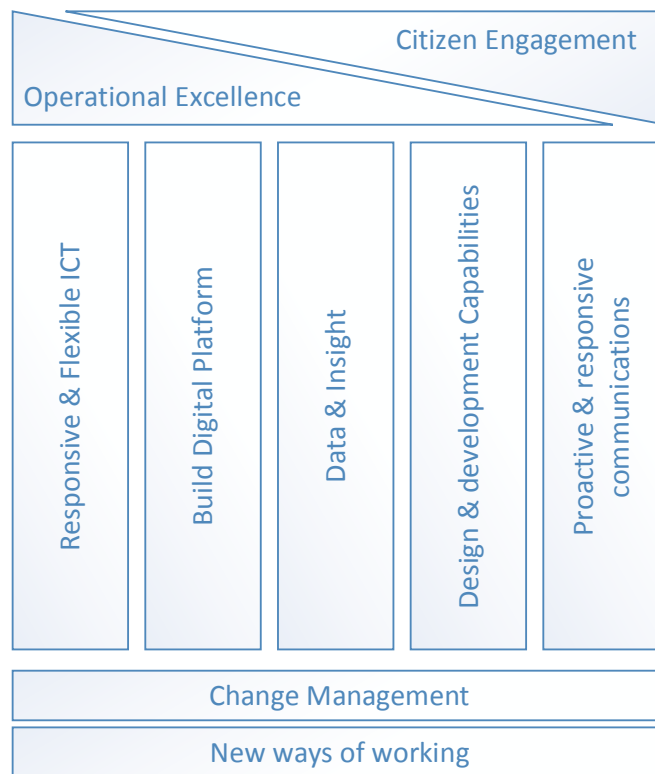


Figure 2: The Strategic Pillars supporting Digital First

2.3.1 Responsive and Flexible ICT

A foundational element of delivering Digital First will be the review and modernisation of ICT to take advantage of the growing potential of hyperscale public cloud platforms (for

example Microsoft's Azure Platform and Amazon Web Services). Hyperscale public cloud platforms have reached a level of maturity and is now an accepted platform for local and central government organisations, with the UK datacentre hosting services for the MoD, NHS and the approval for blue light services to move to public cloud. The platforms simplify the management of IT resources through flexible and elastic (services that scale on demand) Infrastructure-as-a-Service (IaaS) and Platform-as-a-Service (PaaS) elements, which enable significant savings, in part due to the consumption based payment model. Beyond these commodity computing features, the platform also has an expanding eco-system of high-value services which support digital organisations.

There will also be a review of how members and officers access systems. This will focus on the devices that are used (for example, laptops, tablets and smart phones) and the systems and data that are accessed. The aim will be to optimise security and convenience, for example, seeking to reduce the requirement to carry multiple devices.

The third key aspect of the workstream will be assessing how establishing a new Operating Model for IT Service Management will support further flexibility by automating processes, seeking to increase internal capabilities and improved supplier/partner management.

Further information on the benefits and planned use of Public Cloud is included in the Target Architecture Model.

Further information on the impact on IT Service Management is included in the Target Operating Model.

2.3.2 Build a Digital Platform

The Digital Platform brings together several technologies that enable the transformation required to support Digital First. Key aspects include:

- ▶ **The Digital Workspace**
Provides the tools to support improve collaboration and working practices across the organisation and with partners.
- ▶ **Social media management tools**
Tools to provide a single view of social media activity for the organisation and the technologies required to support the communications team.
- ▶ **Tools for insights**
The tools required to capture, interrogate and report on operational data relating to services and service user needs.

▶ **Technical building blocks for Digital Services**

The platform will include the key components that support rapid development of integrated user friendly digital services.

Further details on the Digital Platform can be found in the Target Architecture Model

2.3.3 Data and Insights

A key aspect of the development and on-going refinement of Digital Services is the use of data to develop compelling insights about user's needs and the performance of the organisation in delivering against its strategic goals.

Beyond the technical components required that are provided by the Digital Platform, there will be a separate workstream to embed the use of data and insights within the culture at WDC. This will ensure that insights are used across the organisation including policy formation, decision making and performance evaluation.

2.3.4 Design and Development Capabilities

WDC will develop new capabilities to support the design and delivery for Digital Services. It is anticipated that at first this will be supported by third party organisations but that over time the ability to design and development of Digital Services will be fulfilled internally. It is expected that WDC will closely follow good practice set out by the Government Digital Service (GDS) in the published Service Manual (www.gov.uk/service-manual) and the Digital Service Standard (www.gov.uk/service-manual/service-standard).

Further details on the capabilities to be developed can be found in the Target Operating Model.

2.3.5 Proactive and Responsive Communications

A key factor in delivering against the central priority of better citizen engagement will be the way the Council engages and communicates. The Council's communications, marketing and engagement will be reviewed in order to support strategic and service objectives and to improve citizen engagement. The new approach will:

▶ **Communicate effectively internally**

The Council will devise a range of channels, feedback systems and forums which network every area of the organisation. Through proactive dissemination of messaging from senior Member and Officers, the Council will engage and unify service areas around organisational objectives. Service areas will be energised

and empowered to share corporate messages and news via their work streams. They will be supported to identify opportunities for engagement, marketing and communication.

▶ **External communications**

The Council will manage information releases and identify opportunities and threats as they arise. The Council will effectively communicate a positive image through proactively identifying and capitalising on opportunities to share news and reactively engaging with conversations in the community and challenging false and inaccurate information.

▶ **Marketing**

The Council will market new projects, to position the work positively and engage the District Communities through campaigns and events. Services will be able to develop new processes for delivering services to users to increase the impact, benefit and yield of the change.

Further information on the changes to communications are detailed in the Target Operating Model.

2.3.6 Change Management

The vision sets out how we define Digital to be more than just technology; it is also about culture and practice. As with any significant change to how an organisation operates change management will be a crucial aspect. WDC has a good track record with managing change as is evident in feedback on the success with QVR14.

A key element of change will be the on-going socialisation of the vision and the broad engagement of officers and members in the development of the roadmap and projects that make up Digital First. The roadmap will need to be highly visible and should be used as a vehicle to promote upcoming work which people may wish to be involved in, as well as celebrating success.

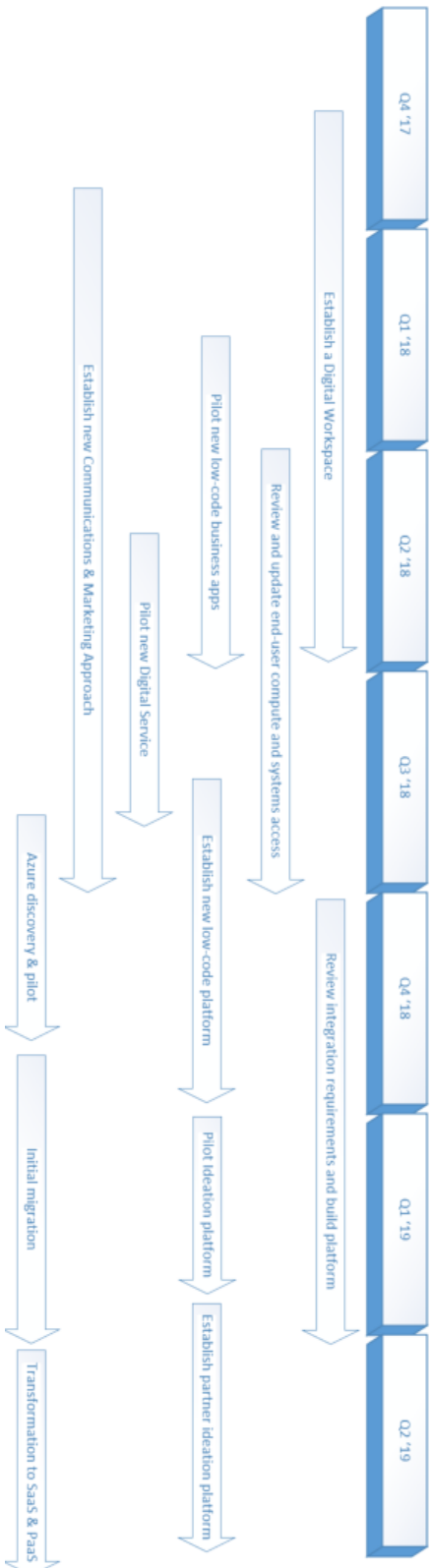
2.3.7 New Ways of Working

A foundational layer of new ways of working will be required to promote the flexibility and responsiveness needed to deliver against the vision for Digital First. This will support all five workstreams and the approach to change management. The new ways of working will provide a different approach to governance that promotes accountability, empowerment, greater visibility and a more rounded approach to risk management.

It is anticipated that the work to develop new ways of working will require a review of the current constitution and the rules that govern current practices.

Further details on the new ways of working are described in the Target Operating Model.

3 Roadmap



4 Financial Considerations

Moving to the cloud provides many financial benefits and as part of the move towards public cloud it is important to understand the cost drivers for cloud and then to build an understanding of the total cost of ownership. As part of this organisations must also consider the impact of the shift from a capex model to an opex model and work with finance to ensure this is factored into reporting and management. Similarly, it is not unusual for organisation to have concerns about the variability of the consumption-based pricing model that underpins cloud. Public cloud platforms provide powerful reporting and management tools to ensure suitable controls are in place, which should be built into governance models for managing the costs associated with public cloud hosting.

Overview of cost drivers for Cloud

The cost reduction areas include:

- ▶ **Reduced IT costs**
When on-premise or in colocation, the average rack operates at 75% capacity to allow for scalability and peak demands (regardless of how often they may occur). This means that 25% of capacity is wasted for much of the time. Public cloud operates on a consumption model so you only pay for what you use and importantly if you need more, it is available. Beyond the baseline spare capacity there are often test instances or services which are only required periodically that remain active. This is because there are no self-service or tool to automate how these instances are managed; within a public cloud service, improved management features allow these systems to be deactivated (reducing costs).
- ▶ **Reduced upgrade and software licensing costs**
Cloud services are charged as a monthly subscription that guarantees access to the latest software without the traditional large upfront software license costs.
- ▶ **Reduced costs for increasing capacity**
Reduced costs to upgrade or scale infrastructure (especially for periodic peak demand) and the traditional step change costs associated with expanding hardware, for example adding a new rack.
- ▶ **Reduced back-up and DR costs**
Using public cloud provider's back-up and DR services makes it easier to restore data.
- ▶ **Reduced security costs**

- The security features required for infrastructure is typically included
- ▶ **Reduced staff costs**
Public cloud platforms are designed to automate many common tasks and as such require less human interaction.

There are some increased costs:

- ▶ **Asset write-off**
When existing equipment is decommissioned the net book value (NBV) will need writing off, creating a one-off loss on disposal in the P&L and reducing your assets in the balance sheet.
- ▶ **Staff training**
There will be some training requirements for IT and other staff. The level of requirement is dependent on the level of which you outsource the managed service on your cloud solution and other applications.
- ▶ **Contract end costs/overlap of annual contracts**
It is unlikely all your contracts would be aligned.
- ▶ **Data transfer-out costs**
When transferring data out of cloud there is a fee, unlike with your own infrastructure.

Moving from Capex to Opex

The traditional model of owning the infrastructure is based on a capex model as the purchase of the kit will be capitalised with the cost spread across the expected life of the asset, whilst the support and maintenance of the infrastructure is treated as opex. In public cloud as you pay for what you use, it is viewed as a service where you don't own the infrastructure. Therefore, this cost must be expensed, not capitalised. Additionally, consultancy, project management, training costs and other costs relating to migration also cannot be capitalised as they are not attributable to acquiring or constructing an asset. Therefore, these costs would also be treated as opex and impact the P&L in the year incurred.

This will increase opex and decrease the ongoing capital purchases as well as decreasing ongoing depreciation. When decommissioning the current infrastructure, assets will need writing off if they still have a net book value on the balance sheet.

The impact on cashflow tends to be positive as it tends to be more consistent and reflect usage.

For some organisations who focus on EBIT and EBITDA separately this can cause some concerns as within the cloud model EBITDA will include less depreciation at the detriment of EBIT including more IT costs.

Total cost of ownership

Organisations often seek to complete total cost of ownership exercise to support the financial modelling of moving to the cloud. This methodology is used to identify the product that provides the higher value over time (e.g. Public Cloud vs traditional managed services).

Areas to look at are:

- ▶ Potential benefits of public cloud
- ▶ What could you afford in public cloud?
- ▶ What could you do faster with public cloud?
- ▶ What is the impact of improved innovation?
- ▶ What will you no longer have to do?
- ▶ Reassign resources to the organisation

The pricing characteristics in public cloud are data transfer, storage and compute. These are the fundamental core characteristics that have the greatest influence on the overall cost. A secondary factor is the use of a managed services provider (MSP) who would manage the cloud for you. In a traditional model the cost base is much broader based on the infrastructure owned as well as associated management costs.

A TCO calculation is often done for a 3 to 5-year timeframe. TCO benefits increase over time due to the learning curve for innovation and optimisation.

Costs associated with public cloud hosting

The target architecture model provides a high-level view of how the current estate could be mapped to public cloud services. We would typically expect customers to migrate like-for-like into a public cloud environment and then conduct a phase of optimisation of the environment from right-sizing servers or making allowances for reduced capacity when test instances are powered down. Beyond the savings provided by the commodity pricing of compute, memory and storage offered by public cloud, optimisation typically also sees a reduction in cloud hosting costs of between 30-50%.

Three factors influence the cost of managing the cloud infrastructure:

- Public cloud infrastructure is designed to be highly automated, for example, the ability to automatically scale infrastructure when demand is high. This automation enables one-click management of servers. This reduces workload of IT staff and enables business users to self-serve, for example powering on a training environment without the need to directly involve IT. This provides a significant cost reduction on traditional hosting services.
- Internal teams are typically freed up to focus on more value adding tasks, as many tasks are automated or streamlined. This means we would expect to see greater productivity from the team, though it is typically hard to put a monetary value to this.
- Organisations can use an external managed service provider (MSP) who can be used to provide an overarching management layer onto the cloud services. As public cloud provides a standard platform, it is easier to evaluate alternative suppliers and also there is an improved competitive market. MSPs will also focus more on providing better high-value services. As the capabilities of public cloud are growing quarterly, if not monthly, a good MSP will ensure an organisation is both reducing costs and exploiting new opportunities. Depending on the service level and pricing model, the MSP cost could be between 10% and 50% on top of the public cloud monthly spend. We would typically see an overall reduction in the cost of managing public cloud infrastructure.

Once the existing infrastructure is decommissioned the net book value will need to be written-off. We understand the purchase prices to be as follows and NBV will be determined by your depreciation policy:

- Most infrastructure was purchased in 2014 (total hardware and licence cost £383K)
- The new Revenue & Benefits server was purchased in 2015 (cost £57K)
- The new VDI servers + 10G network equipment this year (cost £79k+£35K)

Considering return on investment

The outline costs associated with Digital First at this stage are summarised below.

Investment Item	Investment
Maintain current staffing	£200k
Migration to cloud services	£500k
Capita contract migration	£350k
Digital platform / engagement	£200k
User devices including laptops, tablets and phones	£370k
Developing digital services	£250k
Total	£1,870,000

Table 1: Summary of investment costs

The following table provides an overview of cost savings we would expect to see from a primarily from migration to public cloud hosting. The areas of the budget affected are:

- ▶ **ICT Systems**
As part of the migration to the cloud we would anticipate there to be a consolidation of systems, with some being retired and others being replaced by alternatives. Part of this will be the use of the Digital Platform to build more integrated processes.
- ▶ **ICT Infrastructure**
As discussed previously, organisations moving to the cloud tend to start with a like-for-like, with optimisation we tend to see a reduction in capacity of 30-50% through optimisation.
- ▶ **ICT Managed Service fee**
With the reduction in servers and systems through optimisation and adoption of SaaS and PaaS there is an overall reduction in the complexity of the estate which we would in turn expect to be reflected in the managed service fee.
- ▶ **CSC Managed Service**
The provision of digital services that people prefer to use will provide channel shift. A move from face-to-face and calls, which are measured in pounds to digital channels which are measured in pence. We would therefore anticipate a fall in the demand on CSC and citizens are moved onto digital channels.

Budget	Annual Value	5-year Value	Potential Saving	5-year Saving Value	Annual Saving Value
ICT Systems	£464,900	£2,324,500	5%	£116,225	£23,245
ICT Infrastructure	£397,400	£1,987,000	15%	£298,050	£59,610
ICT Managed Service fees	£826,400	£4,132,000	10%	£413,200	£82,640
ICT Capital spend	£350,000	£1,750,000	50%	£875,000	£175,000
CSC Managed Service	£609,400	£3,047,000	10%	£304,700	£60,940
Total	£2,648,100	£13,240,500		£2,007,175	£401,435

Table 2: Potential Savings over 5 years for public cloud hosting

In addition to the saving listed above there are further advantages which will provide an anticipated financial benefit. These primarily will be driven through improved productivity within the organisation:

- ▶ Reduced failure demand and wasted time
Easy IT that just works will address the feedback from stakeholders about some of the issues they have with the current IT.
- ▶ Improved access to services and better use of time
Mobile computing will ensure officers and members can make best use of their time. This could be better access to line of business applications in the field, reducing the logistical requirements to return to base to update systems or being able to access systems in a more ad hoc manner and when time is available.
- ▶ Reduced rekeying and manual processes
Joined up systems and processes will reduce the amount of re-entry of data and improve overall data quality, which in turn will reduce manual data correction.
- ▶ Reduced failure demand through proactive engagement
Several strands of the strategy enable a more proactive relationship both internally and externally. It is anticipated that this will reduce overall effort as issues, inaccuracies and misunderstandings are addressed early on before they become more established.

Our purpose

“We enable people to experience the benefits of technology by delivering excellent services to the public good organisations that serve them”

Our goals

- ▶ To improve and reduce the cost of delivering public good
- ▶ To reduce the digital skills gap in the UK
- ▶ To increase the digital independence of our clients
- ▶ To demonstrate that not for profit organisations can deliver excellence