

Report to: Overview and Scrutiny Committee

Date of meeting: 23 November 2017

Report of: Watford 2020 Programme Manager

Title: Watford 2020 Programme

1.0 Summary

1.1. Watford 2020 is a transformational programme which will review the internal workings and processes of the entire organisation to develop and implement a new operating model¹ for Watford Borough Council.

1.2. The paper presents the programme vision, that:

“Watford in 2020 will be a customer-focussed, digitally-enabled, commercially-minded council.”

and introduces a set of design principles that describe the aspirational operating model of the council in 2020.

1.3. The programme approach and plan, along with the current project portfolio, is outlined with the next key gateway being the presentation of the Operating Model and Outline Business Case to Cabinet in March 2018.

2.0 Potential Risks

2.1. As a significant transformation programme robust risk and issue management is a fundamental component to ensure successful delivery of the programme and its constituent projects. This will be completed in accordance with the council’s risk management strategy and approach.

2.2. In preparing the programme a rigorous risk analysis has been conducted and the key risks are outlined below. The key mitigation to the most significant risks is the approach that has been designed for the programme where, through the High-Level Design work, the Operating Model and Outline Business Case that will be presented to Cabinet in March 2018 will identify the benefits that can be identified and delivered and the resources required for their delivery.

Nature of risk	Consequence	Suggested Control Measures	Response	Risk Rating
The delivery of the programme’s anticipated benefits at the required pace may be constrained if sufficient resources are not made available.	Benefit realisation will be slower than anticipated.	Detailed resource planning will take place to enable the required resources to be made available to deliver benefits at the required pace.	Treat	9

¹ An operating model is a model of the future organisation - its working practices and processes, its structure and organisation, the information it requires and the infrastructure and technology that supports its operations to deliver the vision statement.

<p>Council services (staff and managers) may not have the capacity to support the delivery of the transformation agenda in parallel with delivering their business as usual responsibilities.</p>	<p>Either:</p> <ol style="list-style-type: none"> 1. The programme will be delayed / quality impacted and therefore benefit reduced <p>or</p> <ol style="list-style-type: none"> 2. Service delivery will be impacted 	<p>Detailed planning for delivery to be conducted with services to ensure the risk is mitigated and service delivery is able to continue in parallel with delivery of the transformation agenda.</p>	<p>Treat</p>	<p>4</p>
<p>The delivery of some of the programme's anticipated benefits assumes behaviour change from our customers (residents and businesses).</p>	<p>If change does not occur anticipated benefits, particularly from wider take-up of digital transactions, will not be realised.</p>	<ol style="list-style-type: none"> 1. Ensure that the service provision through digital channels is of a high quality 2. Detailed communication plan to ensure customers are aware of the new channels available to them 	<p>Treat</p>	<p>8</p>
<p>The £1million savings attributed to the Watford 2020 programme in the MTFS may not be identifiable or deliverable.</p>	<p>Financial savings / income increases would need to be identified through other mechanisms.</p>	<p>Watford 2020 process needs to be robust and detailed to support the identification of financial benefits. Outcome will be known through the completion of first stage of work (Tranche 1).</p>	<p>Tolerate</p>	<p>9</p>
<p>Full delivery of the "customer-focussed" and "digitally-enabled" elements of the vision may be constrained due to available financial resources, or the availability of suitable products in the market to deliver this ambition.</p>	<p>Ambition would need to be reduced.</p>	<p>The Outline Business Case will identify the resource and product requirements to deliver the programme's vision.</p>	<p>Tolerate</p>	<p>9</p>

Legislative or policy changes could mean that the vision and design principles are not deliverable.	Ambition would need to change or be reduced.	Maintain an awareness of changes to legislation and policy to provide early assessment of their impact on the delivery of the programme.	Treat	2
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3.0 Recommendations

- 3.1. That the Overview and Scrutiny Committee note the Watford 2020 Vision and Design Principles
- 3.2. That the Overview and Scrutiny Committee review the programme Highlight Report and consider whether any further action is required.

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Report approved by Andrew Cox, Head of Service Transformation

4.0 Introduction to Watford 2020

- 4.1. Watford 2020 was initiated to develop and implement a new operating model for Watford Borough Council. It is a transformational programme which will review the internal workings and processes of the entire organisation through a series of "Service Innovations" to create a council which is ready for the challenges of the future. The programme is a key component in delivering the council's ambition to be "bold and progressive". It will enable delivery of all of the corporate priorities and is at the heart of delivering the priorities to:
 - Deliver a digital Watford to empower our community
 - Secure our own financial future
- 4.2. The reduction in government funding has significantly reduced in recent years and is anticipated to continue, with the Revenue Support Grant being entirely withdrawn by April 2019. The current Medium Term Financial Plan includes a £1m saving per year to be delivered from April 2018 by the Watford 2020 programme. This means that financial savings are not just an ambition, but absolutely necessary.
- 4.3. Alongside this requirement to make financial savings has been the acknowledgement that the council needs to improve its digital offer for customers (residents and businesses), both of whom often expect to access services and communicate with the organisation outside of the usual office hours. The corporate drive to further develop the council's use of digital solutions, both customer-facing and back-office, is demonstrated by the inclusion of a digital agenda in the council's

corporate priorities. The organisation is subsequently in a position where it needs to offer additional channels and digital integration without increasing the level of continuous resource or annual operating expenditure. However, the two are not mutually exclusive and Watford 2020 seeks to apply the council's 'bold and progressive' approach to the programme acknowledging that both commitments are an opportunity to improve services to customers whilst introducing significant efficiency.

- 4.4. To deliver this agenda a fundamental shift in mind-set is required across the organisation to be more commercial and to act and think in a more business-like manner. Encapsulating all of this under the umbrella of the Watford 2020 programme allows competing demands for resources to be reconciled, interdependencies to be identified and managed and the necessary change in culture to be firmly embedded across the council.

5.0 Programme Vision and Design Principles

5.1. Vision Statement

Watford in 2020 will be a customer-focussed, digitally-enabled, commercially-minded council.

- Our high-performing services will provide an excellent customer experience and will be designed from the customer's perspective and will ensure accessibility for all.
- Our services will be digital by design, exploiting opportunities provided by existing and emerging technology to deliver significant efficiencies.
- We will be innovative, bold and entrepreneurial in continually challenging ourselves to improve performance, reduce costs and generate income.

5.2. Design Principles

As has been noted in the introduction, Watford 2020 is fundamentally concerned with developing and implementing a new operating model for Watford Borough Council, which will realise the programme's vision. At the point of initiation of the programme it is not possible to articulate in detail the organisation of the future, as doing so requires substantial work and is part of the first tranche of the programme. It is however necessary to define as a set of design principles the aspirational operating model for the future organisation, as these help to set the framework against which the operating model will be designed. The design principles are deliberately written as a future present and do not comment on where the organisation is now, or how it will move to that future.

1. Process Principles

- All processes are end-to-end digital by design and maximise use of automation
- The web channel is the default option for customers - Customer Services only facilitate / support use of the web channel for those who can't / won't use it²
- We tell customers what they should expect, keep them regularly updated of progress and either meet the expectation we have set or proactively tell them why if it won't be met
- We publish only selected telephone numbers – there is no initial transactional telephone contact with customers anywhere except within Customer Services

² This does not mean that channels will be closed – customers will still be able to access the council via the telephone and face-to-face; however the way in which this will be supported / mediated will be using the same digital processes as if the customer had self-served

- Front-end services are joined-up around life events not our organisational structures adopting tell-us once principles
- Processes are simple and standardised designed around the customer outcome and ideal customer journey
- We don't check physical things – we use the Internet of Things to alert us when we need to do something

2. Organisation and People Principles

- Our culture is creative, entrepreneurial, pro-active and can-do
- We have the skills and expertise to fully utilise digital capabilities
- Staff are rewarded for enhancing the delivery of our organisational objectives
- Management is output and outcome focussed
- We are a learning organisation – we encourage balanced risk-taking and there is no blame for “failure”
- We are outward-facing and industry aware – we learn from what others are doing and we share our learning with others
- Staff are appropriately empowered and encouraged to make decisions and changes
- We have a culture of continuous improvement, always searching for opportunities to make changes that will enhance the value of what we do

3. Infrastructure Principles

- We are enabled to work wherever and whenever
- Accommodation is utilised around functional requirements delivering maximum value from the asset
- We are paper-light
- Our ICT environment is modern and fit-for-purpose
- We only use a defined set of core applications
- All signatures are digital

4. Commercial Principles

- We continually identify and develop opportunities to commercialise existing and new services
- Our partnerships (private and public) are efficient and deliver value
- We have a strategic commissioning and procurement approach that derives the maximum value from every pound spent
- We adopt the most effective delivery models to deliver best value services
- We price commercially ensuring we cover all our costs (except when we have made a conscious and evidenced decision to subsidise)
- We are commercially astute – we understand the market and know how to make it work for us

5. Information Principles

- We input / capture data once and use it many times
- We have accurate real-time information about customers and our business performance
- We have a knowledge culture – we are data / information rich, which is used to drive decision-making and day-to-day performance management
- We know what information we hold and we only hold that which we need in the most appropriate format
- We share information where it is appropriate to do so across the Council and with our public sector partners

6.0 Programme Plan

6.1. As referenced in the Introduction, the programme is transformational and will review the internal workings and processes of the entire organisation through a series of "Service Innovations" to create a council which is ready for the challenges of the future. This is not a simple exercise and there are a number of gateways that are essential throughout the life of the programme to ensure that the programme's business case remains valid and delivery remains aligned to the realisation of the vision and objectives of the programme.

6.2. To provide this control and scrutiny the programme has been organised into Tranches, which group activity (projects) of a similar nature and will conclude at defined points when a formal review and authorisation to proceed will be required.

6.3. Tranche 1 - Service Innovations - High-Level Design

This tranche is planned to run from July 2017 to March 2018 and will deliver:

- Design of the future operating model in accordance with the design principles (covering processes, people, commercial opportunities and technology / infrastructure) for the council across all services identifying required changes, the benefits of these changes and the technology / infrastructure required to enable the changes
- Outline Business Case demonstrating the benefits that can be delivered through implementation of the future operating model, the cost of implementation and the assumptions made
- Implementation Plan to identify when and how changes can be made and therefore when benefits can be realised - this will inform Tranche 2 of the programme plan

These three deliverables will require sign-off by Cabinet (in March 2018) prior to the initiation of Tranche 2 (with the exception of the Housing Service New Operating Model project which commenced in September 2017 as a result of the need to prepare for the Homeless Reduction Act, as outlined in 6.4.1 below).

6.4. Tranche 2 - Service Innovations - Detailed design and implementation

This is the truly transformational part of the programme which will be initiated upon the conclusion and approval to proceed at the end of Tranche 1. This will see the high-level design being developed into detailed designs and implemented for all areas of the organisation. It is this tranche in which the benefits of the programme will be realised as commercial ideas are progressed, digital infrastructure is utilised and efficiencies are made. Through the detailed design work detailed cost and data analysis will enable the Outline Business Case developed during Tranche 1 (identifying

expected benefits) to be developed into a Full Business Case describing the benefits that should/will be delivered.

It will not be possible to determine the projects or phasing of changes until the end of Tranche 1 as projects will need to be prioritised based on benefit, when required enabling infrastructure (technology) can be in place and synergies between different opportunities.

6.4.1. Housing Service New Operating Model

The Housing Service will form part of phase one of the Service Innovation High Level Design work. However, the Homeless Reduction Act 2017, due to be introduced by Central Government on 1 April 2018, means that the organisation cannot delay the implementation of changes to the Housing Service until the commencement of the rest of tranche 2 of the programme. This project therefore commenced in September 2017, immediately following the completion of the Service Innovation High Level Design work.

The project will ensure that the council has planned for and implemented a new operating model to ensure that it can meet the obligations set out by the Homeless Reduction Act 2017. It will also seek to implement the findings from the Service Innovation High Level Design work. Full guidance from Central Government has only recently been released and so there may be a requirement for an interim solution to be in place prior to the conclusion of the project to ensure that the changes introduced by the legislation can be met by 1 April 2018.

6.5. Tranche 3 - Enablers

This tranche, potentially running throughout the life of the programme, will explore and implement all required components to enable delivery of the new operating model.

The initial scope of this tranche at the point of the programmes initiation includes all known required enablers at this point (shown below) and for which there is a valid business case. New projects will be added to the scope as and when the requirement for them is identified through the programme's lifecycle (anticipated to be through both Supporting Strategies and Service Innovations - High-level Design) when there is a valid business case and available funding as approved by the Programme Board.

6.5.1. CSC Refurbishment

This project has recently been completed and closed by the Watford 2020 Programme Board, having assessed the achievement of benefits to customers and the organisation. The council's Customer Service Centre was first opened in 2005 and had not undergone any significant change or refurbishment since this time. There had been a growing need for it to reflect the new ways that customers wished to interact with the organisation to access services and the council's ambition to ensure that services were 'digital by design' necessarily included those queries which are initially submitted via the Customer Service Centre.

This project saw the introduction of the Q-matic system, a new reception pod, additional self-service tablets and computers and has encouraged self-serving to reduce the levels of queues in the Customer Service Centre and allow existing staff to support those who do not feel confident interacting digitally with the organisation. The project has also provided a very visual indication of the step change within the organisation and, as such, has been important in presenting a very practical and visible aspect of the programme's vision.

6.5.2. Customer Management System Replacement

The Lagan Customer Relationship Management System (CRM) has been in operation in the Customer Service Centre since it opened in 2005. Lagan provides a platform through which services can be delivered to customers through defined scripted processes, knowledge management, case logging, integrations with back office systems and workflow between the customer service centre and back office services for picking up and dealing with the administration of customer enquiries.

At the time Lagan was a leading edge system; however the system has not been upgraded since 2007. The current version does not support the delivery of services in the way customers now expect and does not enable the council to deliver more cost effective end to end digital services. Lagan and the associated eform package supplied by Ebase have reached the end of their contract terms and are now running on annual contract renewals.

With this in mind, this project seeks to procure and implement a new Customer Management System for the council which will deliver better digital and efficient ways of working, with the first stage of the project including the tender and procurement of this new system.

The objectives of the project are to deliver:

- A replacement Customer Management System for managing and tracking customer enquiries/service requests that is easy to configure, links seamlessly with the council website and can be used by customers to self-serve online and by council officers to offer supported and mediated self-service.
- A system that can integrate seamlessly and cost effectively into other core case management systems used across the council to provide end to end digital services
- A new CMS platform with the 70 plus transactions currently delivered through Lagan transferred into the new product

The delivery of this project will provide a fit-for-purpose and modern system upon which to grow our front-end digital services.

6.5.3. ICT Infrastructure Transformation

The ICT Infrastructure Transformation will be delivered by July 2018 and is concerned with ensuring ICT platforms, will be stable, secure, supported, sustainable and simple. As such the projects objectives are to:

- Increase network stability through the reduction and simplification of network domains and the upgrade of two data centres
- Remove and replace all aged and non-supported network devices
- Remove and replace two aged and non-supported storage (SAN) devices
- Remove all XP desktops from the estate
- Remove all 2000 and 2003 server operating systems from the estate or implement sufficient and appropriate security methods
- Consolidate and rationalise server hardware e.g. servers decommissioned

- Migrate all possible physical hardware servers to virtual servers
- Provide resilient and recoverable systems with a Disaster Recovery plan in place

6.5.4. Unified Communications

The current council telephony and voice communications system is extremely basic and outdated and does not allow staff to work in the more flexible way envisaged by Watford 2020 or take advantage of some of the opportunities offered by modern technology such as video-conferencing. This project will therefore:

- Develop and agree a set of business and technical requirements for the future provision of voice communications technology
- Procure and contract with a provider who can deliver these requirements offering the best value solution
- Build and implement the selected solution

This project will enable (in conjunction with other initiatives) staff to work in a mobile and flexible way, accommodation to be rationalised and new working practices to be developed and supported.

6.5.5. Idox Optimisation

In November 2016 the council moved to a hosted option for Uniform, which is used by a number of services, including Environmental Health, Licensing, Planning and Building Control with Idox contracted to deliver this requirement. A number of the requirements outlined in the contract have yet to be implemented and this project seeks to provide a collaborative council approach, which cuts across services, to fully implement the digital by design system. Most of the services offered by the Idox contract, such as automatic integration with bespoke industry software and workflow management are key to ensuring that services are fully digital and running as efficiently as possible and are therefore critical to the Watford 2020 objectives.

The failure of Idox to deliver the full contracted package is having a tangible negative impact on the services affected and it is believed that providing governance and structure to the work required in a project environment and under the umbrella of Watford 2020 will provide the momentum and accountability to ensure that the capabilities are delivered within agreed timescales. This will be particularly important to ensure that the Service Innovation – High-level design can establish a future operating model which is able to fully utilise all the enabling technologies available to ensure that they are as efficient as possible.

This project will be made up of two phases:

- Phase One – a gap analysis of the Idox contract to confirm exactly which capabilities are currently missing and development of a detailed plan for their implementation.
- Phase Two – the delivery of additional capabilities offered by Idox, but which do not currently form part of the hosted service and are reliant on the successful implementation of phase one

6.5.6. File Management

Storing, sharing and using relevant business information can be used to continuously improve the customer experience and council efficiency, therefore making a valuable contribution to achieving the expected benefits of the Watford 2020 programme. Whilst the council's network configuration

has been in place for well over a decade and there are pockets of good practice within service areas in terms of file management, the council has never agreed an approach to this area of work or applied any guidelines consistently across the organisation. As a result, this project has the following objectives:

- Deletion of the former public drive (G drive) to relieve pressure on the council's server and free up storage space and creation of a new public drive, which enables staff to share files, data and information efficiently
- An agreed archive policy for emails and deletion of emails over three years
- Approved guidance for office clearance based on the 'scrap, store, scan' principle
- Establish a Contract Documentation Repository (CDR) on the new public drive for storing all final versions of documentation relating to the council's contracts and agree and document the process for using and maintaining the CDR eg folder structures, naming protocols, etc.
- Introduce guidance for the use of personal drives and review and manage all shared drives in line with the council's retention policies

6.5.7. WBC Estate WiFi

With the roll out of mobile devices, the need for staff and members to access documents and information from locations throughout the WBC estate is operationally essential. The council has therefore committed to introducing WiFi throughout the Town Hall, and satellite sites such as Wiggshall Depot and the Museum to allow staff to work in the more flexible and efficient way envisaged by the programme's vision and design principles. The purpose of the project is to introduce high quality wireless internet connections across these council buildings which in turn will decrease the organisation's reliance on paper and hard documentation.

6.6. Tranche 4 - Supporting Strategies

This work will include the development of three key organisational strategies (People, ICT, Commercial), which will articulate in detail key components of the future organisation to ensure that the new operating model can be delivered and the benefits realised. It is anticipated that through the development of these strategies more enabling requirements will be identified and that therefore more enabling projects will need to be initiated.

6.6.1. People Strategy

If Watford in 2020 is to be a customer-focused, digitally-enabled and commercially-minded organisation, the staff and managers may need to work in radically different ways. This may require a fundamental shift in the mind-set and capabilities of the workforce and therefore the transformation requires a step change in organisational culture. Additionally critical to enabling this is a fit-for-purpose HR "infrastructure" both to support the organisation of the future and to enable the change to happen through the 2020 Programme. As a result, the People Strategy describes how this change can be delivered and articulates:

- Detailed description of the organisational culture in 2020 (and beyond) developed from the 2020 programme's vision and design principles
- Outline description of the HR infrastructure required to deliver this culture and the 2020 Programme

- Gap analysis between the current situation and the 2020 “design”
- Programme of work to move to the to-be organisational culture and HR infrastructure

The People Strategy is scheduled to be reviewed by Cabinet on 4 December 2017.

6.6.2. ICT Strategy

During 2017/18 the ICT Service is delivering a complex programme of work to ensure that by July 2018, ICT services and platforms will be stable, secure, supported, sustainable and simple. This programme of work will provide a solid foundation on which to build the ICT Strategy for 2018-20. A core component of the Watford 2020 vision is that the Council should be digitally-enabled - ICT is fundamental to enabling this aspect of the vision and therefore the implementation of a robust and ambitious ICT Strategy cognisant of and in line with industry leading practice is crucial to enabling successful delivery of the programme.

The ICT Strategy – 2018-20 articulates:

- Vision for ICT developed from the 2020 programme’s vision and design principles
- Enterprise Architecture for 2020 to deliver the ICT vision
- Gap analysis between the baseline (end 2017/18) and 2020
- Programme of work to move to the to-be Enterprise Architecture

The ICT Strategy is scheduled to be review by Cabinet on 22 January 2018

6.6.3. Commercial Strategy

It has been acknowledged that the council will have a significant financial shortfall by 2020 if no action is taken over the next three years. It has been equally recognised; however, that this deficit need not necessarily be addressed through savings and the council has the option to increase revenue by exploiting available business opportunities. To that end, the Managing Director has set a revenue target of £250k to be achieved from commercial activity in 2020. This project delivers a strategy to enable the council to meet these aspirations and a policy that guides decisions as to the trading and commercial activities that will be considered acceptable.

The objectives for the Commercial Strategy are as follows:-

- A strategy outlining the governance, expected culture and how overall delivery of the commercial related activities will be achieved. It is expected this strategy will be reviewed after development and embedding of the commercial programme.
- An opportunities framework within which WBC will trade and the criteria that will be considered when determining business cases.

The Commercial Strategy was approved by Cabinet on 6 November 2017.

6.7. Tranche 5 - People

This tranche, running from the approval of the People Strategy, will include a variety of activity to deliver the desired organisational culture and supporting HR infrastructure. This Tranche will run for the lifecycle of the programme. The People Strategy will be reported to the December Cabinet in

support of the change programme.

7.0 Implications

7.1. Financial

7.1.1. The Shared Director of Finance comments that there is a budget allocated to the Watford 2020 programme in the current year. Any additional costs identified through the process will need to come for approval either through the annual budget setting process or supplementary budget requests.

7.2. Legal Issues (Monitoring Officer)

7.2.1. The Head of Democracy and Governance comments that there are no specific legal implications at this stage of the programme.

7.3. Equalities / Human Rights

7.3.1. Having regard to the council's obligations under s149, it is considered that at this time no Equalities Impact Assessment is required because as yet there are no specific proposals relating to service delivery changes arising from the Watford 2020 Programme.

7.3.2. A full Equalities Impact Assessment of all proposed service delivery changes will be presented to Cabinet with the Operating Model and Outline Business Case in March 2018 with further evolution of the Equalities Impact Assessment for each individual service change in advance of implementation.

7.4. Staffing

7.4.1. The staffing implications of the Watford 2020 programme are not yet known; however it is anticipated there will be an impact on staffing once the design of the future organisation has been established. Any changes to staffing will be conducted in accordance with the organisation's approved change management policy and processes.

7.5. Accommodation

7.5.1. Any accommodation implications of the Watford 2020 programme will be identified within the New Operating Model and Outline Business Case in March 2018.

Appendices

- Watford 2020 Programme Status Report – November 2017

Background Papers

The following background papers were used in the preparation of this report. If you wish to inspect or take copies of the background papers, please contact the officer named on the front page of the report.

- None