

Southampton City Council

Final report – Digital Maturity Assessment and Target Operating Model development

February 2024



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Digital Strategy



Roadmap



Target Operating Model



Next steps

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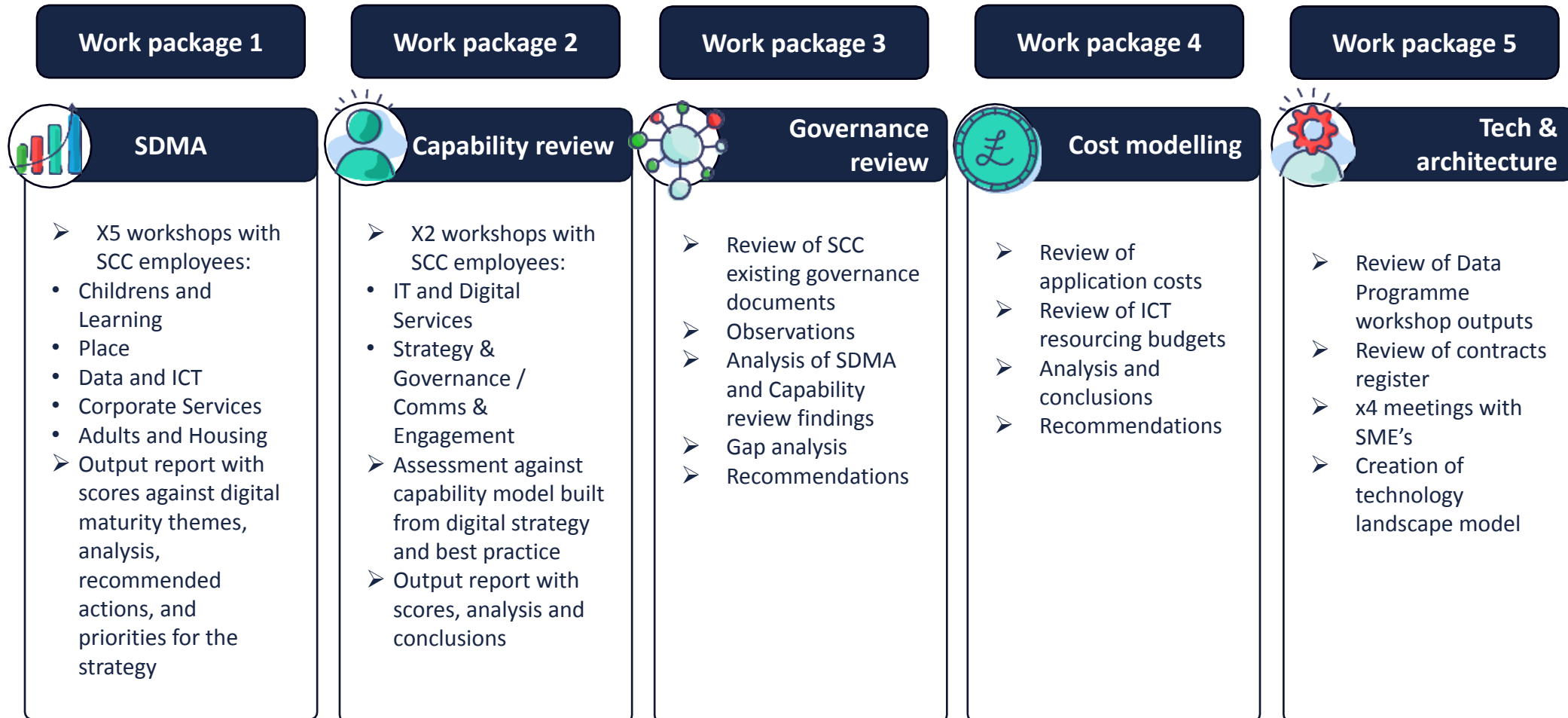
This final report summarises the digital maturity and Target Operating Model development project we undertook with Southampton City Council.

The report highlights the work to date and focuses on the next steps, recommendations, benefits and key outcomes that Southampton City Council need to achieve through a programme of Digital improvement.

Overview

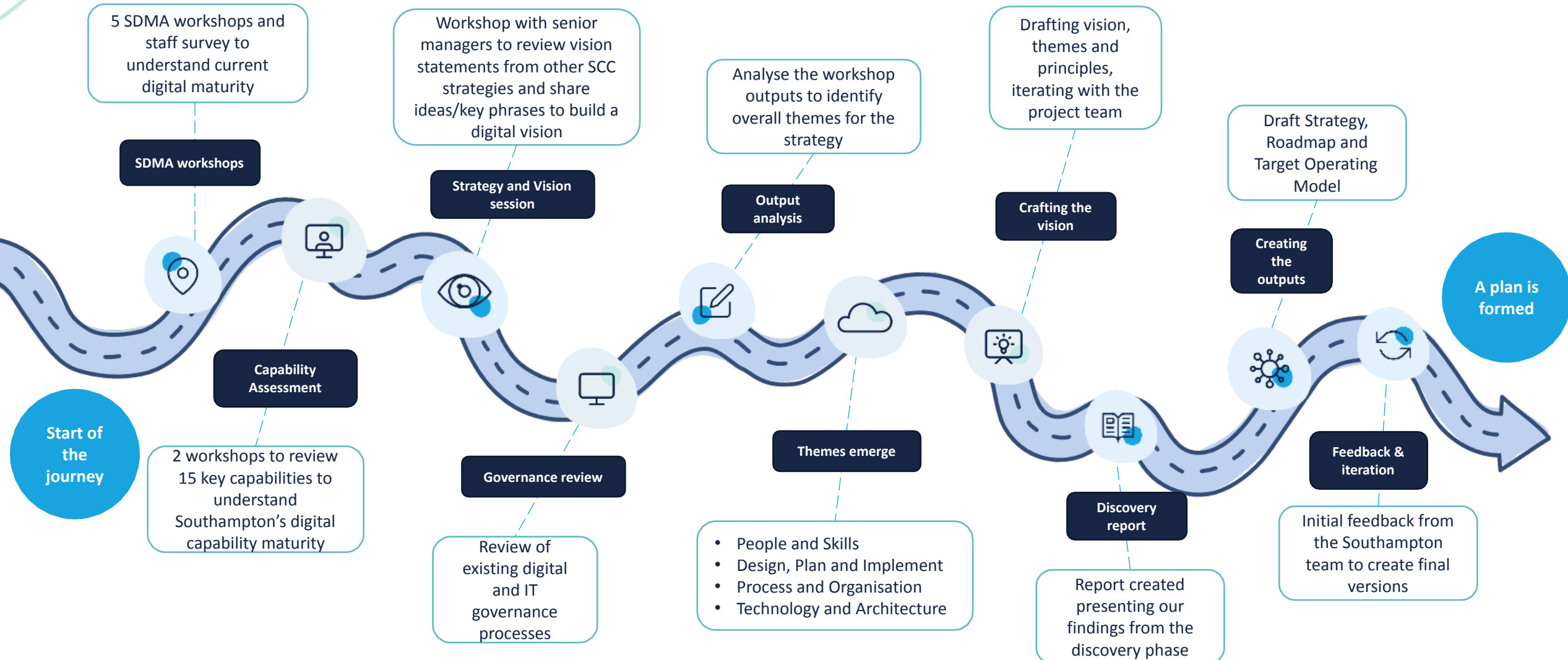
Overview

Outputs from the discovery phase which formed the basis of the final outputs



Overview

Our journey to create the final outputs



Overview

The final outputs



- The Digital Strategy outlines the long-term vision for Southampton City Council, focusing on what you would like to achieve in the next 6 years. This document provides the high-level actions needed to achieve the vision



- The Digital transformation roadmap outlines the actions that need to be taken in order to address the gaps and challenges identified in the Target Operating Model and to achieve the digital vision.
- The roadmap is split into the four themes identified in the strategy and a Now, Next, Later timescale:
 - Now - within the next 12-18 months
 - Next - 2-3 years
 - Later - 4-6 years



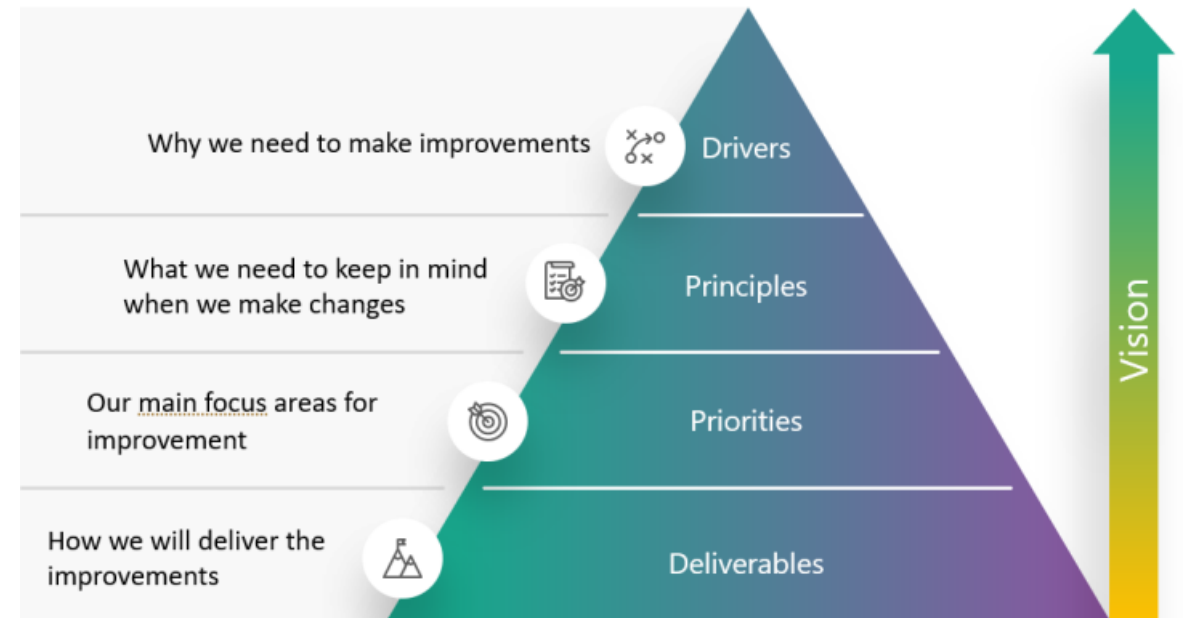
- The Target Operating Model (TOM) identifies the capability and functional gaps and recommendations that, can be made, alongside the governance, to facilitate the roadmap and achieve the strategic vision

Digital Strategy

Digital strategy

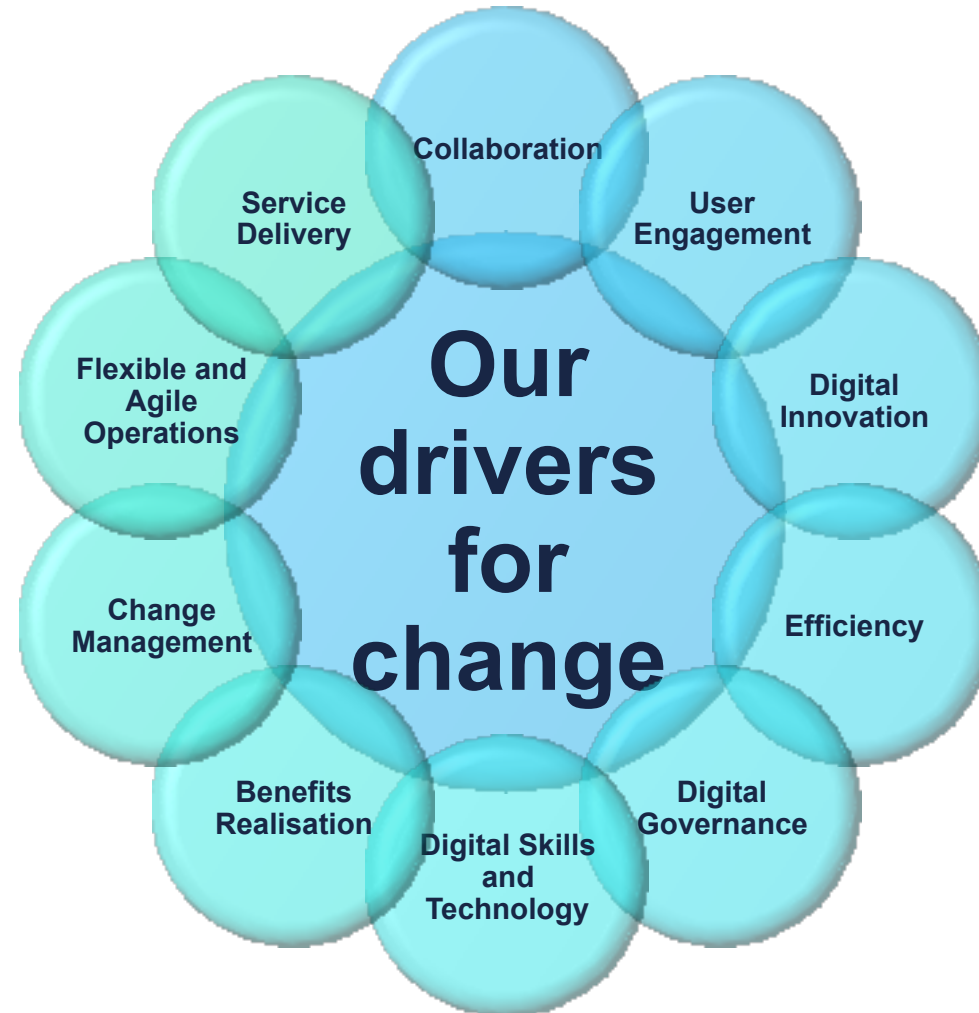
Overview and the golden thread

- ✓ The digital strategy outlined the overall vision and aims for the next 6 years at Southampton City Council. It draws out your priorities, which actions you will take and the benefits
- ✓ The following slides give a high-level summary of some of the content of the strategy but also aims to outline what are your key priorities over the lifetime of the strategy. To achieve those priorities, activity is broken down even further into a spreadsheet named the digital roadmap (containing specifics and owners)
- ✓ The diagram to the right shows the golden thread of how we start with drivers, develop principles, decide priorities and ultimately what will be delivered



Drivers for change

Why we need to make digital improvements



**see strategy for full explanation of our drivers*

Vision, themes and principles

What we need to keep in mind when we make changes

Strategy Vision

Our digital vision is to empower our communities to access digitally inclusive services, designed around their needs which support the delivery of our Corporate objectives.

Our people will be given the skills, data and technology needed to deliver the best possible services for our communities and organisation.

We will ensure that every local person, employee, partner organisation, visitor and stakeholder benefit from the opportunities presented by the digital era, to lead Southampton as a digitally enabled city.

Strategy themes

People and skills

Design, plan and implement

Process and organisation

Technology and architecture

Strategy Principles

User needs must be at the heart of digital change

Consider end to end service design before implementing digital solutions

Digital will be used to simplify and automate processes

Support and empower our people to improve their digital skills

Ensure collaboration between IT and service areas in service design and planning

Minimise non-value add activity within digital processes

Digital services & systems will be intuitive, usable, and accessible

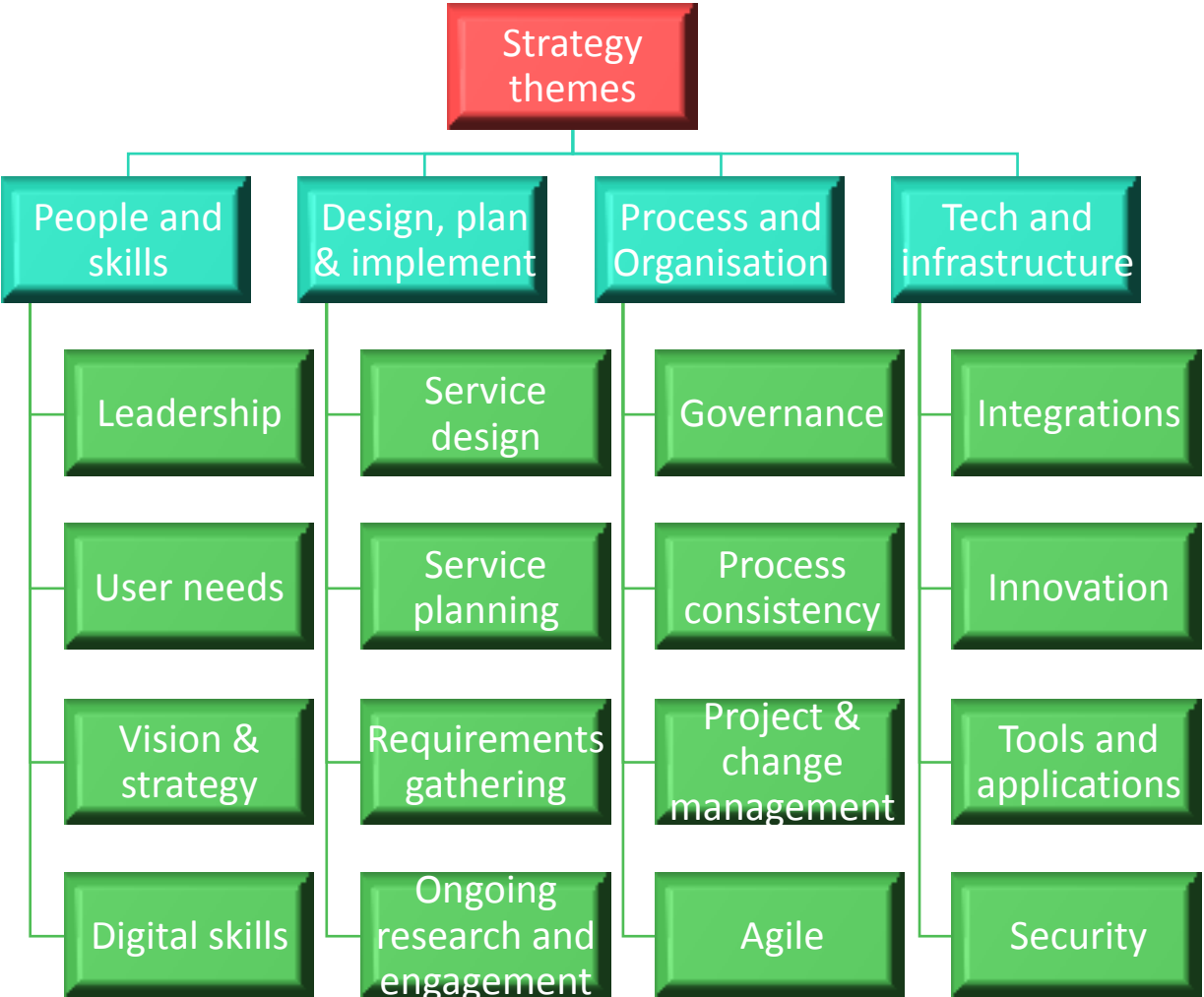
Conduct ongoing evaluation to ensure continuous improvement

Governance will be robust, consistent and communicated

Strategic themes

Themes broken down to demonstrate what may sit under them

- **Themes emerged** throughout our discover phase
- The digital strategy uses these themes to **prioritise the goals** of the strategy
- The target operating model will enable **delivery of these strategic themes**
- The roadmap will describe the activity required in detail to **achieve these goals**



Siloed working was a common issue noted across all areas

Impact of the strategy

Understanding the benefits from our strategy's priorities

Priority 1: Ensure all staff have the right digital skills so that they can perform their work effectively and improve the maturity of key capabilities

- Benefit – all staff have the digital skills to perform their jobs effectively and can deliver the best possible services for local people whilst finding efficiencies in internal processes

Priority 2: Engage internal and external users to understand their digital needs in order to develop user centric digital services

- Benefit – by understanding user needs (both internal and external) we can design and implement user centred digital services which are accessible, inclusive and user friendly – maximising investment

Priority 3: Ensure that all digital changes and skills improvement programmes are sponsored by leadership within service areas

- Benefit – By driving a digital culture from the top down we ensure 'buy in' at all levels, which will enable widespread skills improvement that ultimately improves user experience and services for all internal and external users

Priority 4: Improve digital governance processes to ensure there is a clear and consistent approach

- Benefit – a consistently applied governance process will enable clear prioritisation principles which users understand, and which ensures delivery of the strategy to achieve our goals, only undertaking digital change projects which add value and improve services for users



Impact of the strategy

Understanding the benefits from our strategy's priorities

Priority 5: Ensure that processes are as efficient as possible, remove any non-value add activity and create automation where possible

- Benefit – consistent and streamlined processes which prioritise self-service and automation remove non-value add activity, create efficiencies and remove single points of failure

Priority 6: Create a combined project and change management process which brings together IT, PMO, Transformation and Service areas to ensure that projects are aligned and holistic

- Benefit – All projects are considered with a digital lens to ensure that cross functional expertise is applied consistently to all change projects, maximising the benefits of digital and ensuring user needs are at the heart of digital change

Priority 7: Ensure we have a robust and holistic service design process for digital

- Benefit – We have a collaborative approach that ensures departments are aware of each other's priorities, therefore designing solutions and services which provide the best possible solution for users and maximises efficiency

Priority 8: Remove silos and develop cross functional service design and planning

- Benefit – Digital will be considered in all service plans, so we can identify the best possible opportunity to help services achieve their service plans, which drives things like automation, productivity and savings

Priority 9: Ensure that project implementation and ongoing improvements are aligned to findings from user research both internal and external

- Benefit - We create an evidence base of why change is needed, ensuring users feel engaged which drives user centred outcomes and positive user experience for internal and external users



Roadmap

Developing the roadmap

Activity we undertook to understand what actions SCC need to take

Each of the below activities enabled us to understand the as-is picture, drawing out areas of strength and weakness, and ultimately the opportunities for improvement.

These opportunities have been converted into tangible actions which are covered in detail in the roadmap spreadsheet. The following slides summarise the **now**, **next** and **later** activity for SCC by themes.

SDMA

Capabilities
assessment

Governance
review

Technology
and
architecture
review

Cost
modelling



People and Skills

Now

Agree priority capabilities for delivery of your digital strategy and develop action plan for improvement

IT to communicate key information like KPIs, turnaround times, IT service catalogue and service status monitoring to all users

Digital Team to work with HR to embed a digital skills competency framework into the recruitment process and competency reviews

Embed senior sponsorship into digital change initiatives

Establish an active digital champion network or community of practice to transfer knowledge, share expertise and document processes

Promote the digital vision and wider strategy amongst leaders for dissemination to teams

Conduct a learning needs analysis to baseline digital skills and gaps within the organisation

Next

IT and Learning and Development Teams to work in partnership to develop a digital skills training programme covering basic to advanced skills, new systems and utilising digital technology. Then promote this to the whole organisation

Central projects and change team to ensure user engagement techniques are shared and aligned with IT projects

Ensure change and project management methodologies of ongoing user research (with diverse groups), engagement, testing and communications are applied to all digital change projects

Ensure senior leadership have easy access to data allowing regular insights and for them to stay on top of the current state of digital. Central data team to co-ordinate a programme of providing consistent reports to senior leaders

Design user journey templates and use them for all large pieces of work

Develop a Communication Strategy to engage the organisation with digital

Introduce a senior leader digital skills training initiative with representatives from across the organisation

Later

Conduct a review of all website and intranet pages to ensure there is consistency across all service areas and ensure digital channels are being utilised effectively

Implement digital skills training programme based on findings from the LNA

Engage with communities, staff and partners to understand their engagement preferences for digital channels, such as social media, chat bots, surveys, forums etc., alongside traditional methods.

Operational

Strategic

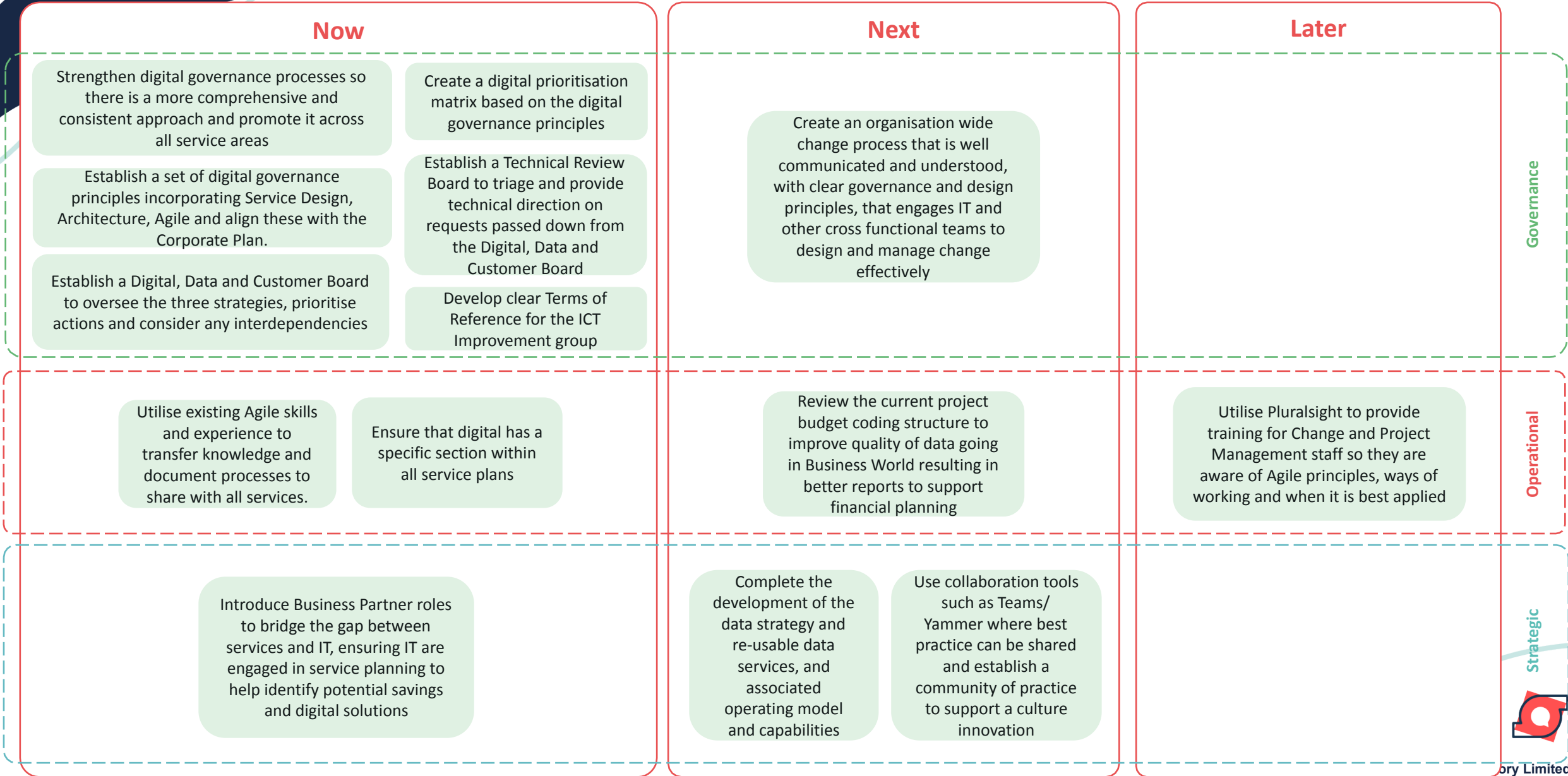


People and skills

What we want to achieve within 12 months to establish a good digital foundation to support the successful implementation of the digital strategy

Activity	No	Outcomes	Quick win?
Conduct a learning needs analysis to baseline digital skills and gaps within the organisation	1	Catalogue of all current digital skills with gaps and a developing action plan to remedy those gaps (learning strategy)	
Establish an active digital champion network or community of practice to transfer knowledge, share expertise and document processes	2	Active digital champion network	Yes
Digital Team to work with HR to embed a digital skills competency framework into the recruitment process and competency reviews	3	Competency framework which includes digital skills relevant to job, which are reviewed in the PDR process. Digital skills section included in all job adverts	
Agree priority capabilities for delivery of your digital strategy and develop action plan for improvement	4	Capability deep dive assessment which understands gaps with a remedial action plan to develop/hire new capabilities	
Embed senior sponsorship into digital change initiatives	5	All digital change projects to have governance in place which records senior leadership approval and sponsorship	
Promote the digital vision and wider strategy amongst leaders for dissemination to teams	6	All leadership to have received a copy of the strategy and issued to their teams for a wider understanding	Yes
IT to communicate key information like KPIs, turnaround times, IT service catalogue and service status monitoring to all users	7	All users to understand IT kpi's, downtimes, updates to tickets logged, system outages, etc	Yes

Process and Organisation

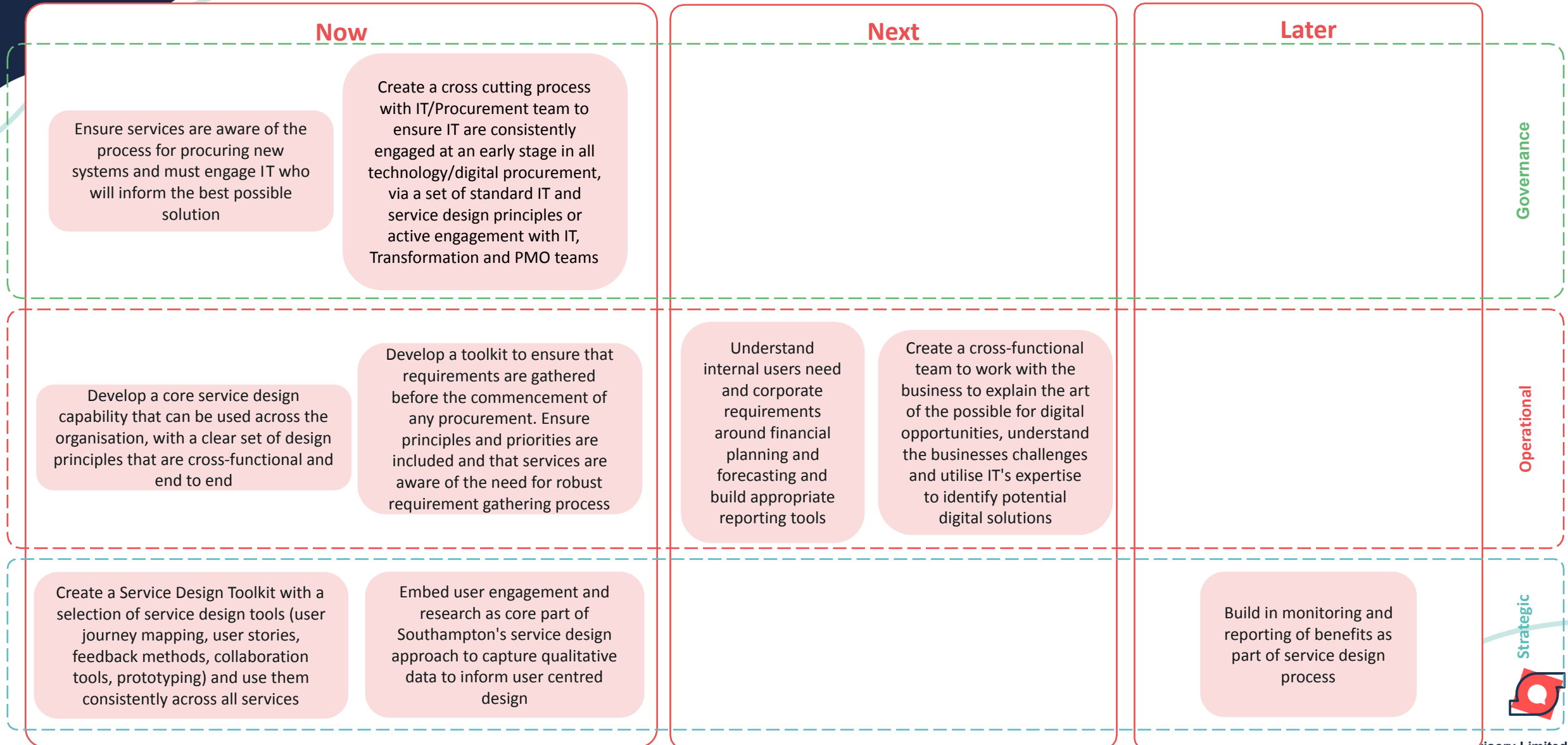


Process and Organisation

What we want to achieve within 12 months to establish a good digital foundation to support the successful implementation of the digital strategy

Activity	No	Outcomes	Quick win?
Create a digital prioritisation matrix based on the digital governance principles	1	Prioritisation matrix with embedded principles for use on digital changes	
Establish a set of digital governance principles incorporating Service Design, Architecture, Agile and align these with the Corporate Plan.	2	Digital governance principles which inform decision making on digital change projects	Yes
Establish a Technical Review Board to triage and provide technical direction on requests passed down from the Digital, Data and Customer Board	3	Operational technical review board stood up with appropriate members	
Establish a Digital, Data and Customer Board to oversee the three strategies, prioritise actions and consider any interdependencies	4	Operational Digital, Data and Customer Board stood up with appropriate members	
Develop clear Terms of Reference for the ICT Improvement group	5	TOR for the ICT improvement group	Yes
Document the digital governance steps in easily understandable steps, communicate digital governance processes to all service areas so there is a more comprehensive and consistent approach	6	Digital governance overview document created and shared with all users	
Utilise existing Agile skills and experience to transfer knowledge and document processes to share with all services	7	Agile methodology capability to be developed within at least some service areas as appropriate to ensure knowledge transfer	
Ensure that digital has a specific section within all service plans	8	Service plans with a digital section to ensure it is considered in all planning (skills and technology)	Yes
Introduce Business Partner roles to bridge the gap between services and IT, ensuring IT are engaged in service planning to help identify potential savings and digital solutions	9	An operational model in place which aligns an IT business partner to Directorates	Yes (capacity depending)

Design, Plan and Implement



Design, Plan and Implement

What we want to achieve within 12 months to establish a good digital foundation to support the successful implementation of the digital strategy

Activity	No	Outcomes	Quick win?
Create a cross cutting process with IT/Procurement team to ensure IT are consistently engaged at an early stage in all technology/digital procurement, via a set of standard IT and service design principles or active engagement with IT, Transformation and PMO teams	1	Agreed set of standard IT and service design principles that should be applied to all procurement activity. Documented thresholds stating when to use the above principles and when there needs to be active engage with IT, Transformation and PMO during the procurement process	Yes
Develop a toolkit to ensure that requirements are gathered before the commencement of any procurement. Ensure principles and priorities are included and that services are aware of the need for robust requirement gathering process	2	Requirement gathering toolkit that incorporates principles and priorities that must be considered before any procurement. This is to be shared with all services.	
Develop a core service design capability that can be used across the organisation, with a clear set of design principles that are cross-functional and end to end	3	Agreed set of cross-functional service design principles to support the development of an organisation wide service design capability for all digital projects	
Create a Service Design Toolkit with a selection of service design tools (user journey mapping, user stories, feedback methods, collaboration tools, prototyping) and use them consistently across all services	4	Service design toolkit with a range of service design tools, that is shared with all services.	
Embed user engagement and research as core part of Southampton's service design approach to capture qualitative data to inform user centred design	5	User engagement and research templates incorporated into the service design toolkit to capture qualitative data	
Ensure services are aware of the process for procuring new systems and must engage IT who will inform the best possible solution	6	User friendly document to explain the process for procuring new systems and this is to be shared with all users and embedded in service design toolkit/processes	Yes
Create a directorate aligned business partner model for service design – based in IT			



Technology and Architecture

Now

Next

Later

Governance

Define and recruit to an Enterprise Architect role to develop the EA capability for IT and SCC more widely.

Ensure that governance for new technology is strengthened to include an IT review of integration capability/interoperability (part of the procurement governance)

Explore the potential benefits of a contract review with Civica and Capita to achieve a more strategic approach

Review opportunities to fully exploit the MS365 platform and functionality included with the E5 licensing, look at license profiling to manage costs

Investigate how the CRM can be used to support customer communications and understand their communication preferences alongside recording customer interactions

Make better use of the CMDB and the metadata model to understand the application landscape and the relationship with contracts for identification of change opportunities and improved reporting.

Understand and define the As-Is architecture, and applications to identify duplication of functionality (with a view to removing duplications) and a roadmap for reduction the number of legacy systems and technical debt

Undertake a systems review including contractual arrangements and opportunities to align with the digital strategy

Conduct a contract review of key suppliers to agree a more strategic approach with more preferential benefit clauses

Review the provision of the Total Mobile field worker service, to maximise efficiency and return on investment

Look to re-organise the development resource into more solution agnostic, cross service orientated teams, with a focus on end-to-end digital services and integration.

Operational

Create an Integration Strategy, with associated capabilities

Review TOM recommendations and incorporate actions into IT service plans

Consider a third-party full analysis of the wider software licence and utilisation landscape to identify areas where more robust licence management could reduce costs.

Complete the development of the data strategy and reusable data services, and associated operating model and capabilities

Application rationalisation or improved utilisation:

- Share Point
- Power Platform
- Combined use of Academy and Digital360 in Revs and Bens
- Asset Management systems
- Case Management solutions
- Payment solutions

Undertake a report review org wide to understand duplication and inconsistencies across currently siloed areas

Strategic



Technology and Architecture

What we want to achieve within 12 months to establish a good digital foundation to support the successful implementation of the digital strategy

Activity	No	Outcomes	Quick win?
Review TOM recommendations and incorporate actions into IT service plans	1	TOM recommendations incorporated into IT service plan and roadmap for improved capability maturity and IT functions required to deliver strategy	Yes
Review opportunities to fully exploit the MS365 platform and functionality included with the E5 licensing, look at license profiling to manage costs	2	Engagement with Microsoft to discuss licencing profiles and MS365 platform and functionality. Report produced to highlight potential opportunities and cost savings	
Create an Integration Strategy, with development of associated capabilities as required	3	Integration Strategy produced and aligned with IT, Data and Digital priorities so that new solutions are future proofed and support integrated, efficient, end to end services	
Explore the potential benefits of a contract review with Civica and Capita to achieve a more strategic approach	4	Discovery work completed to understand the potential benefits of undertaking a contract review with Civica and Capita and provide the basis of a more strategic approach to contract and supplier management going forward	

Target Operating Model

Overview

High level summary

Current State

- Current model provides a good operational service, but the structure isn't optimal to support the digital strategy and transformation
- Reactive culture rather than designing strategic solutions. Delivery model and large proportion of resource focussed on BAU activities
- Not making best use of data and technology available to reduce costs or improve services, partially due to levels of technical debt

Why Now

- Refreshing the council's digital strategy, aligning with other strategies and the Corporate plan has identified some capability gaps that need addressing in order to deliver the strategy and maximise the benefits of digital
- Acknowledgement of the need to invest and change, to reduce costs, develop digital opportunities and deliver value so the council can meet budgetary challenges while meeting user expectations

Opportunity

- Implement an end-to-end change process that encourages improved collaboration with IT and other change professionals
- Further develop organisational skills in the field of digital, data and technology
- Develop key capabilities required to deliver digital strategy and take a holistic enterprise approach to managing the architecture
- Take a phased approach, build foundations then optimise for digitisation

Risk of doing nothing

- Continued fragmented, inconsistent approach to the provision and delivery of services and ever-increasing gap to user expectations
- Underutilisation of digital tools and methodologies, increased technical debt, while not maximising the return on technology investments
- Ever increasing demand and pressure on services reduces the quality of services and increases costs

Next Steps

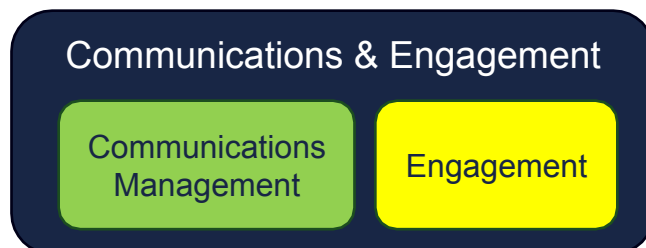
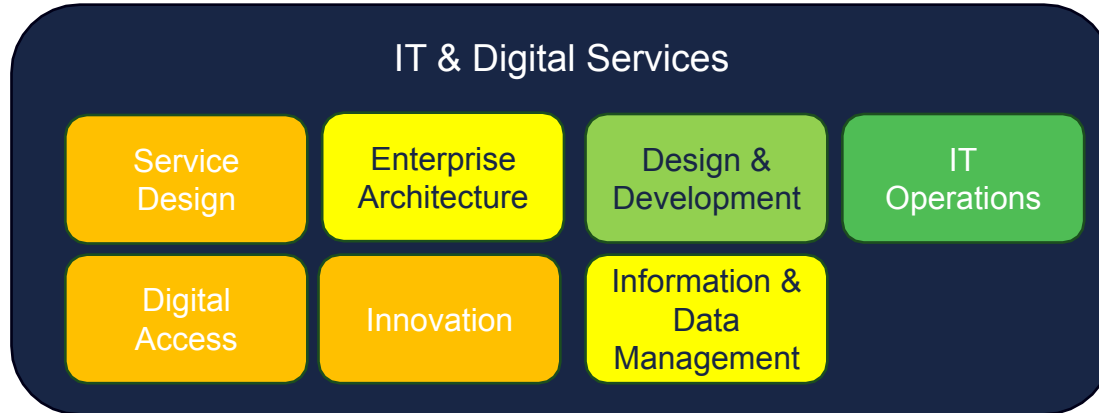
- Agree digital strategy and associated delivery roadmap
- Confirm TOM recommendations and plan to improve capabilities and changes to approach to IT delivery model
- Work to quantify benefits, develop business case, high-level plan for transition to TOM, including resource plan, identify skills and resource gaps, support transition and embedding



Capabilities

Capabilities

Scores from the maturity assessment



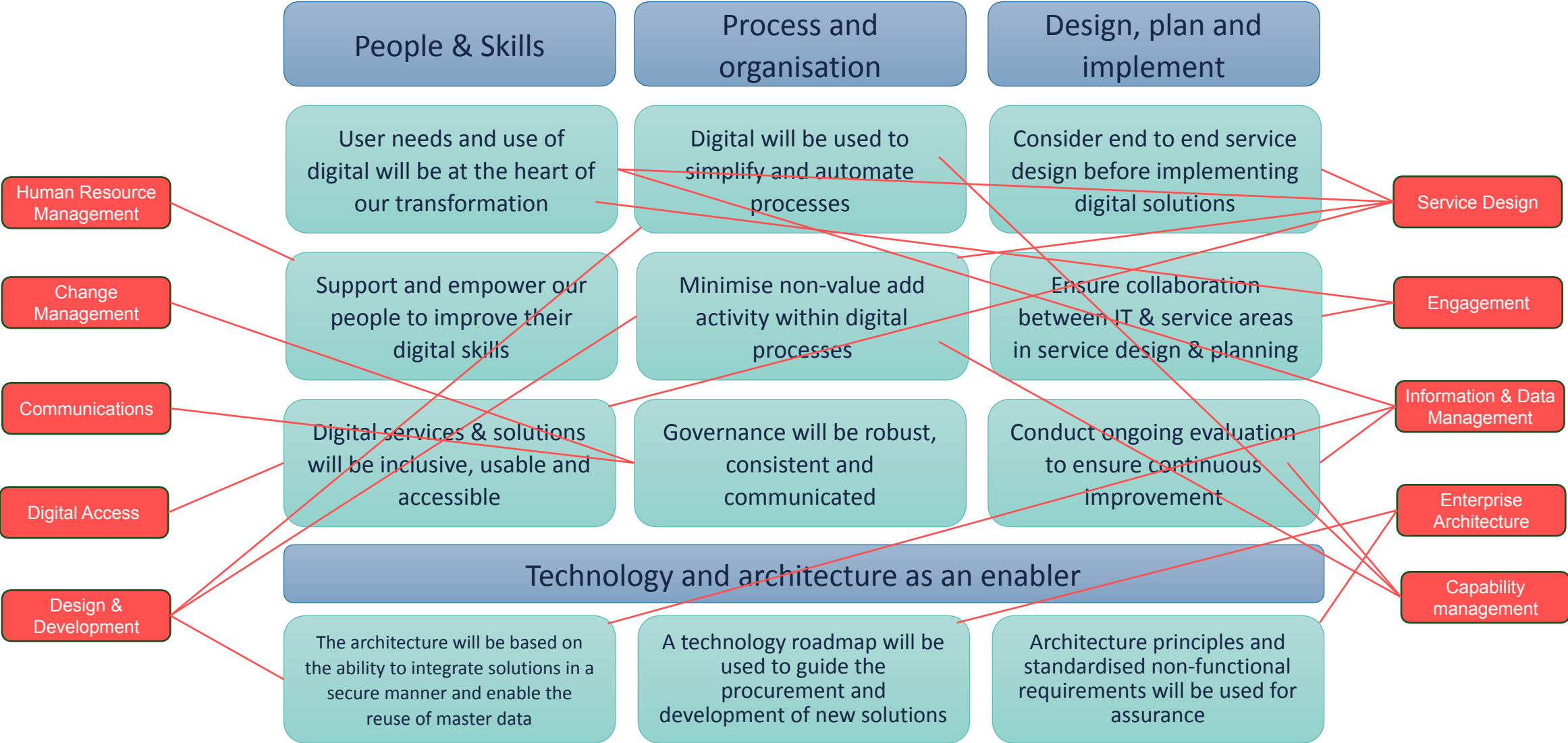
We undertook a capability assessment in the discovery phase to understand where SCC have gaps currently. Capabilities were assessed with employees from SCC in workshops, with a lens of digital enablement based on relevant second level capabilities.

See appendices for the second level capabilities which were used.

Maturity Score	Assessment	Prioritisation Score
1	Very poor	5
2	Poor	4
3	Acceptable	3
4	Good	2
5	Very good	1

Capabilities

How they map to strategic principles from the digital strategy



Capabilities

Overall scoring

	Human Resource Management	Change Management	Comms	Digital Access	Design & Development	Service Design	Engagement	Information & Data Management	Enterprise Architecture	Capability management
How many principles they support	1	1	1	1	3	4	2	3	2	3
Capability assessment score	4	4	2	4	2	4	3	3	3	2
Total	4	4	2	4	6	16	6	9	6	6

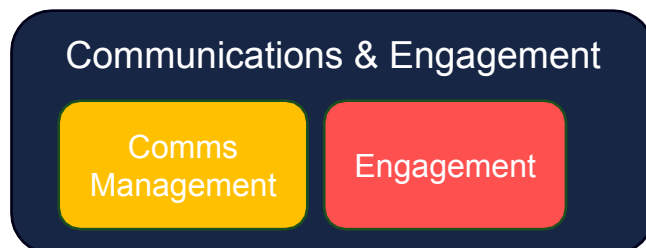
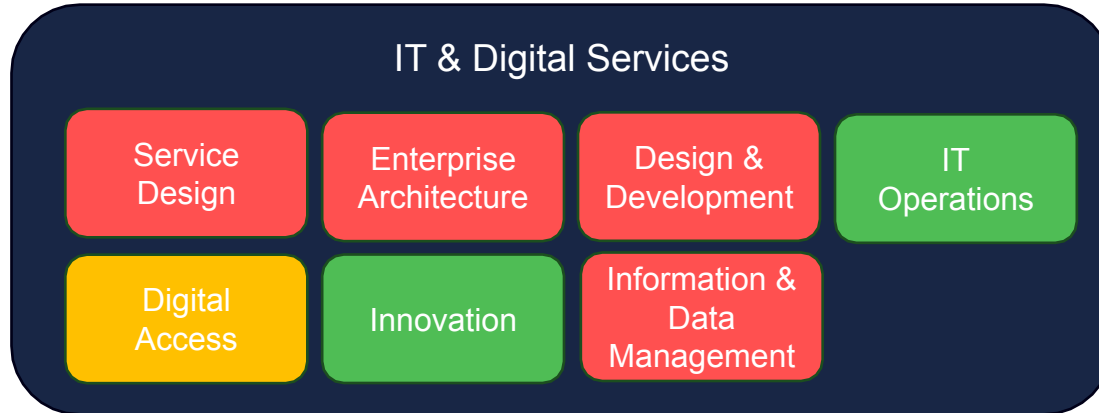
The table above aligns the scoring from the previous slides to give us an indicative view of which capabilities SCC need to develop in order to deliver the priorities from the strategy

Additionally, we assessed the capabilities below, we have not mapped and scored all of these for the TOM as they do not directly help achieve the digital strategy goals (on the next slide they get a default lower importance score). However, they are all important for SCC and are fully described with actions within the final capability assessment, see separate report.

- Financial management
- Innovation
- Service operations
- Strategy management
- IT operations

Capabilities

Key capabilities for development



Key

Highest importance

Medium importance

Lower importance

Therefore, based on the previous slides and the scores, we can determine that the ones in red are most important to the delivery of the strategy as they received the highest score for ability to deliver the strategy and current lowest capability score.

This is a broad-brush approach, but the order does align with our qualitative findings from discovery.

Capabilities

Developing your capabilities

Capability (Current Assessment)	Relative Priority	Capability Development
Service Design (Poor)	16	This is a key capability for the successful delivery of the digital strategy. It is cross-functional requiring different skills, data and knowledge to come together to design a user-centric service that makes optimal use of digital tools and available functionality on the estate. However, it is an established discipline and is a good approach for engaging the wider organisation in digital, provided there is the drive and capacity.
Information & Data Management (Acceptable)	9	Having access to the right information and data to make informed decisions and building services around the data needed to run the service will underpin a lot of the council's digital ambitions. There is a good data strategy, but it needs funding to action with a focus on building data governance and master data management alongside the reporting and BI aspects.
Enterprise Architecture (Acceptable)	6	Though the assessment of EA was acceptable, this would reflect the relative view of managing the IT estate within existing service areas. The wider organisational strategic engagement is lacking with a lack of visibility outside of IT and a single coherent roadmap that can be used for future planning, procurement and contract management. This is reflective of it being handled across team and there would be benefits to having a single role responsible for EA and developing those key assets. The role will be significant in setting up and running the technical review board.
Design & Development (Good)	6	This was assessed as a good capability from within IT but given the importance of this to designing and delivering customer centric digital services alongside the fact that the digital team sits outside of IT, there is still work to develop this capability to effectively support the strategy. The development resource, along with analysis and support, is arranged in business verticals, which reflects aspects of the architecture. To support a cross-functional design process, having horizontal development teams using a rationalised set of approaches and tools will have a more productive and transformative capability.

Capabilities

Developing your capabilities

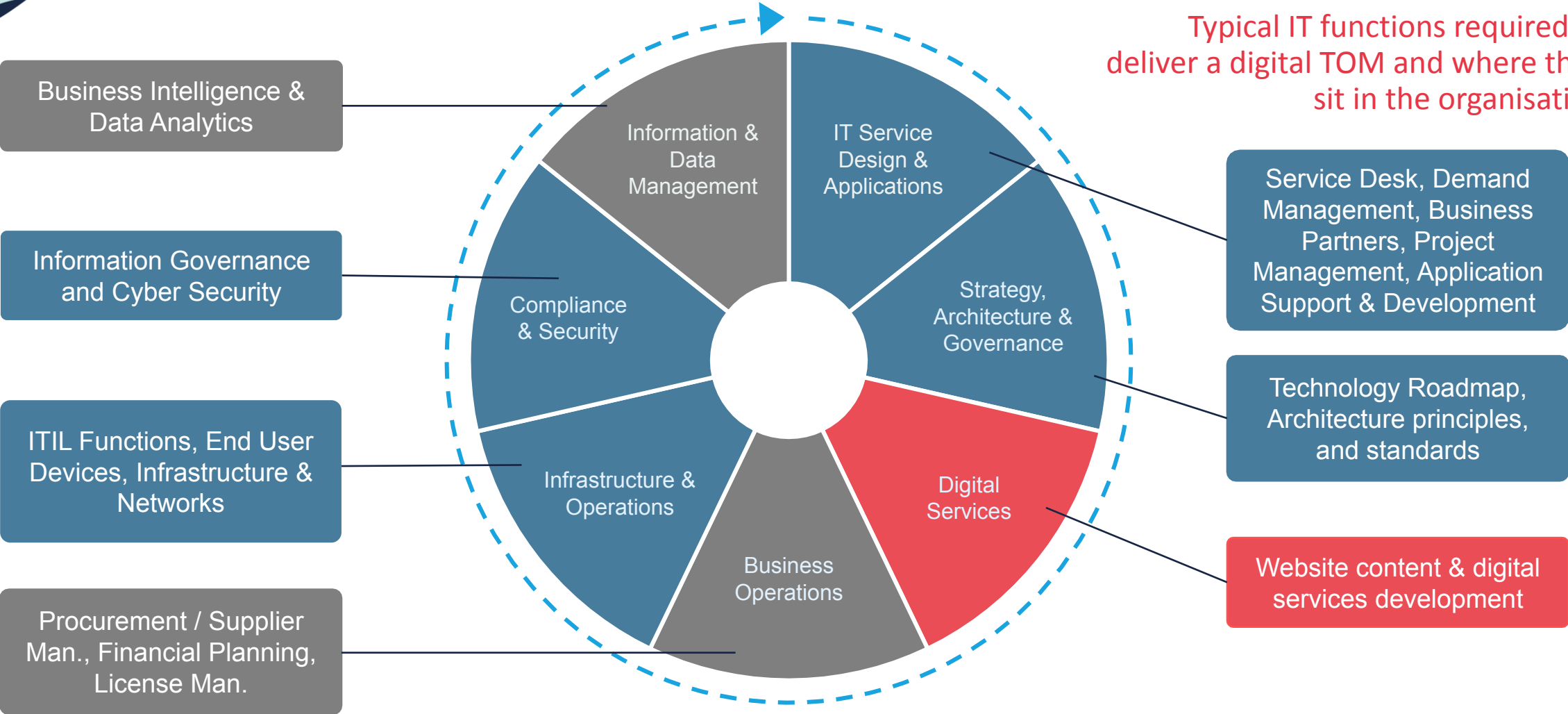
Capability (Current Assessment)	Relative Priority	Capability Development
Capability management (Poor)	6	Work with wider organisation (particularly transformation team) to improve capabilities as described, particularly in areas of process, organisational structures, skills, capacity and information. This will help improve overall maturity of capabilities beyond just the technology aspects.
Human Resource Management (Poor)	4	Developing a digital competency framework that can be used for recruitment of new staff and baselining digital skills for current staff to identify areas for training and creating digital communities of practice that support the digital strategy and maximising digital opportunities.
Change Management (Poor)	4	Development of change and governance process so that there is more engagement and collaboration with IT throughout the process, including setting up a new Technical Review Board to provide assurance on changes to the architecture alongside developing, communicating and managing the technical roadmap.
Digital Access (Poor)	4	Improve the range, design, usability and accessibility of digital channels as part of end-to-end service design, so that those who want to access and use digital channels can, improving channel migration, and freeing up resource to manage traditional channels.
Engagement (Acceptable)	3	Properly explore the use of digital channels and tools to increase engagement with local people and partner organisations, alongside and complementary traditional methods, without impacting inclusivity.
Communications (Good)	2	Key area here is the building of better communications with IT and the wider organisation, particularly around the technology roadmap once that is in place, and the tools available to deliver digital improvements.



Functions and structure

Key IT Functions

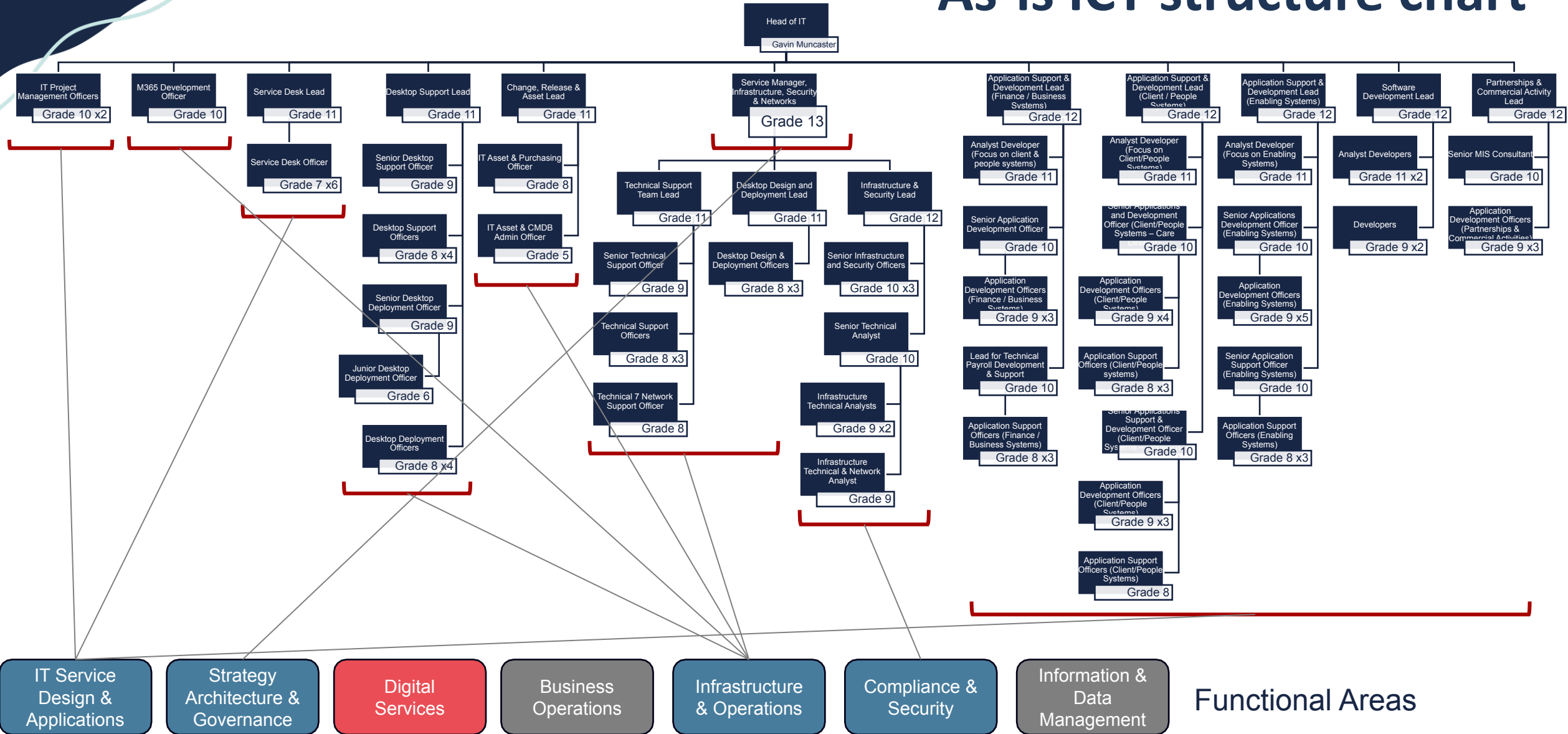
Typical IT functions required to deliver a digital TOM and where they sit in the organisation



Key:

- IT Service
- Cross Service
- External

As-is ICT structure chart



IT functions

(As Is Structures and recommended adjustments)

IT Function (as-is)	Functional Areas	Recommendations
IT Service Design & Applications	Service Desk, Demand Management, Business Partners, Project Management, Application Support & Development	Mainly functioning well, but IT project management is light and there is a lack of formal IT business partnering. Look to boost project management capacity and integrate with organisational change management to reflect a service that is able to be more orientated to transformational change. As digital strategy evolves make more use of cross-functional teams and agile approaches. Reorganising the development resource would be advised in the future, see key recommendations below. Business partnering will improve understanding of directorate plans and alignment of change activities.
Strategy, Architecture & Governance	Technology Roadmap, Architecture principles, and standards	Currently working in the context of individual IT concerns but needs ownership and a more coherent and strategic approach alongside development of key architectural assets. See key recommendations below.
Digital Services	Website content & digital services development	Currently sits outside of IT but considerations around where it sits are being discussed. This would strengthen the ability to build user centric, end-to-end digital services as part of a Service Design approach. Would also recommend creation of horizontal development teams, as the architecture develops, rather than based around business verticals, see key recommendations below.
Business Operations	Procurement / Supplier Man., Financial Planning, License Man.	These are primarily cross-functional areas with IT being an enabler and beneficiary of these functions. Financial planning and cost modelling were issues flagged as a very poor capability, which would assist IT and the wider organisation, but would sit outside IT. Improved license management would primarily sit within IT but would need wider engagement.
Infrastructure & Operations	ITIL Functions, End User Devices, Infrastructure & Networks	This area operates well for the current architecture, however as more service move to web applications and desktop management becomes more streamlined some capacity in desktop design and deployment may be able to be freed up.
Compliance & Security	Information Governance and Cyber Security	This area operates well and is ever more critical in a modern technology estate as cloud services and solutions become more integrated. Need to ensure that skills are in place to make optimal use of tools that come with E5 licensing and any opportunities to rationalise the tools used to manage security.
Information & Data Management	Business Intelligence & Data Analytics	This sits outside IT but will need strong collaboration with IT to take the strategy forward and mitigate risks. Need to be clear on roles and responsibilities for the data platform, operations and information management.

Key:

IT Service

Cross Service

External



Key recommendations

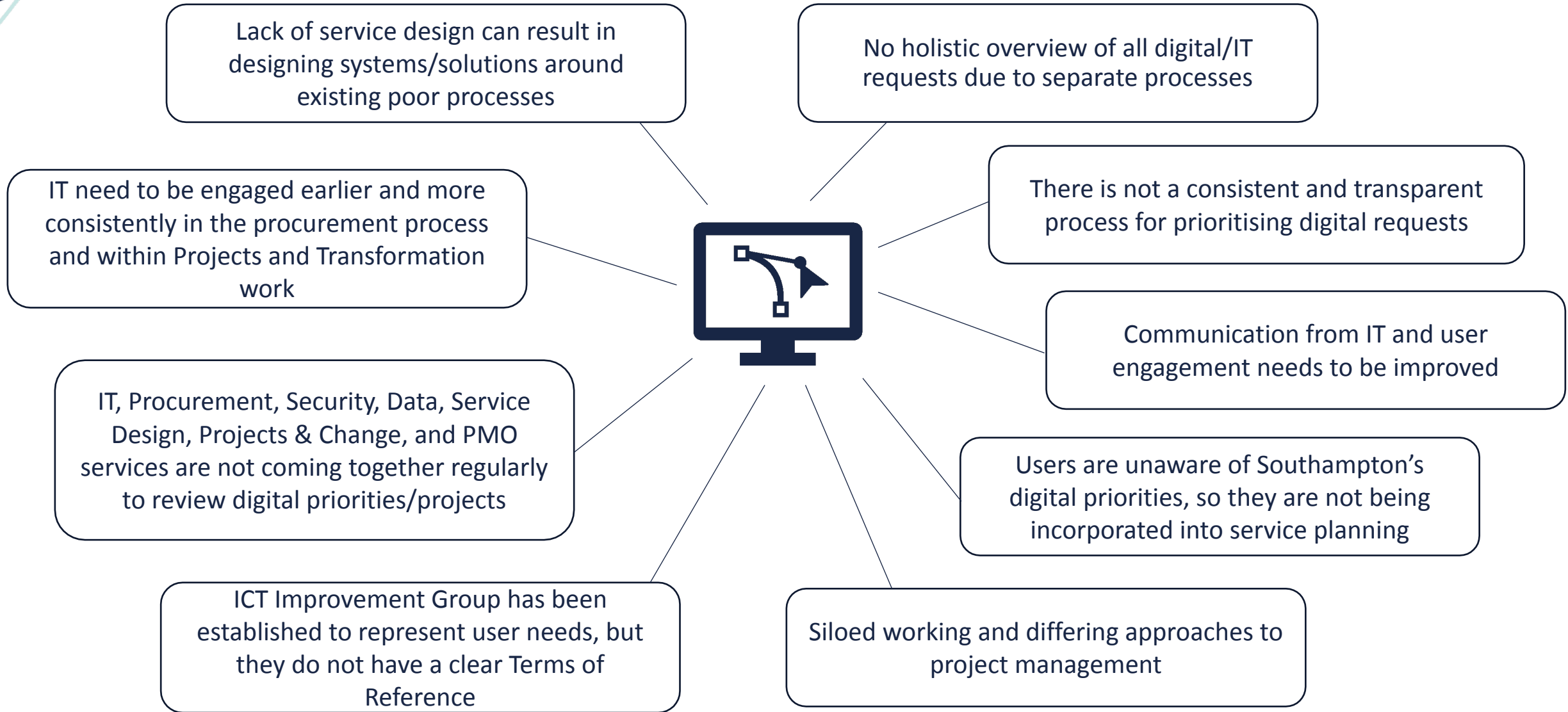
Key functional recommendations

- **Digital:** Web and digital currently sits outside of IT, this makes it more difficult to have a joined-up approach to the delivery of end-to-end digital services. This can be mitigated through using Agile approaches and cross-functional teams, but also through the reorganisation of the development capacity
- **Design & Development:** As a reflection of the current estate and historical approach to support, there are vertical teams covering support & analysis and configuration & development. As part of developing the technology roadmap, look to rationalise the estate to a standard set of technologies and approaches, i.e. use of SaaS solutions with a consistent approach to integration. This would enable a model where support and development teams can work across the estate, making project prioritisation and resource utilisation more effective, while reducing single points of failure in terms of skills and knowledge
- **Enterprise Architecture:** There is management of the architecture within particular domains but no organisational view, roadmap or set of principles that can be used to guide the development of the architecture to ensure it meets the needs of the council and local people. Having a role with responsibility for these areas would improve the overall approach, reduce risks and make achieving the benefits outlined in the strategy more achievable
- **IT Business Partnering:** Embedding this as a function will improve overall communication with IT and the wider organisation as well as understanding of directorate plans and alignment of change activities and align with similar functions for HR and Finance.
- **Data & Business Intelligence:** This function is often found within the IT structure, as it is a key enabler for the organisation and digital but has a dependency on IT to be fully realised, i.e. integration of data services etc, which may be more easily managed within IT. This should be reviewed as the council's digital capability landscape matures.

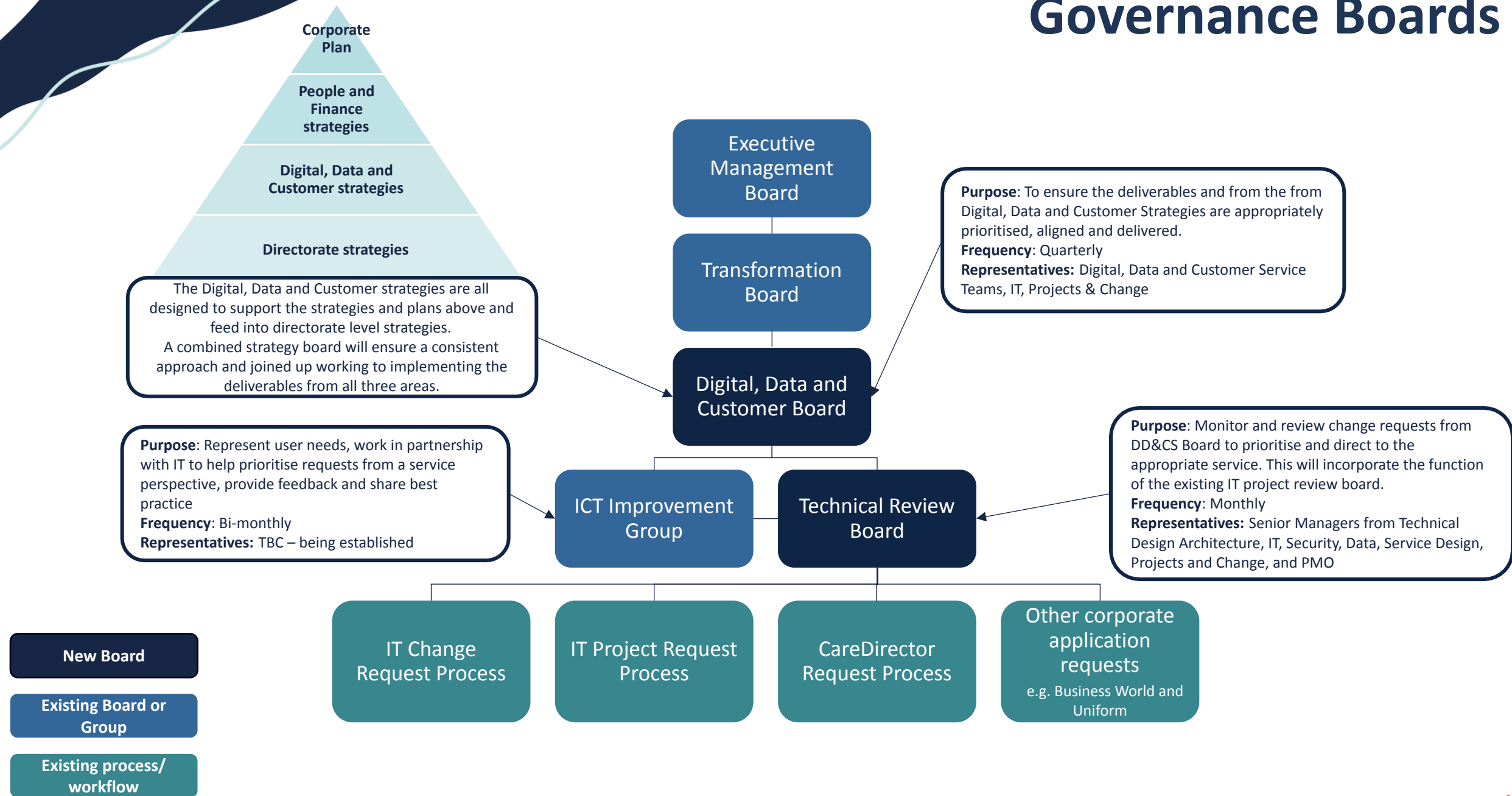


Governance

Digital Governance Challenges



Governance Boards



What will Southampton's Digital Governance look like?

- **A digital governance process with a set of clear principles** to support the delivery of the new Digital Strategy, TOM recommendations and Roadmap
- **A prioritisation matrix** based on the digital governance principles to support project prioritisation
- Consistent approach to **designing digital services** to ensure business processes are reviewed and improved before adopting a digital solution
- **A combined Digital, Data and Customer Strategy Board** to ensure the actions from the three strategies and roadmaps are being delivered
- **Technical Review Board** to bring together a range of technical expertise to review the items passed down from the Digital, Data and Customer Strategy Board
- **ICT Improvement Group with a clear terms of reference to ensure user needs are represented** and provide feedback on items passed down from the Digital, Data and Customer Strategy Board
- **Improved communication** from IT and **more engagement with users** throughout digital projects.
- **Digital roadmap/priorities shared with all services** to inform directorate level planning and strategies.
- **IT principles or engagement will be incorporated at an early stage of any procurement or change/transformation projects** to ensure it meets the strategic direction, digital governance principles and aligns with wider IT architecture.



Cost Modelling

Cost Modelling - Summary



'As is' Observations

- The cost modelling analysis has been carried out using the documents shared; IT budget monitoring report (Oct '23), SCC pay scales, IT contract costs.
- ICT has a working budget of £9.3m with an overall forecast spend of £11m for 2023/24 . This is in the low to medium range for comparable authorities.
- Key area of over commitment is staffing with a £640k forecast overspend.
- Vacancies have been held to provide options for implementing the outputs of the Digital Strategy and associated Target Operating Model work
- Key areas of budget are £5.6m staffing and £5.1m software and licenses
- The IT budget of £9.3m represents a 4% spend for ICT against the corporate budget of £221.5m. This is comparable to other local authorities of a similar size.
- £5.6m total staffing spend is comparable to authorities of a similar size, however there are opportunities identified through the capability assessment which could provide opportunity for efficiencies.
- Income budget is significant and the forecast variance for income and projects is large, work is ongoing to make sure the figures are accurate.

Areas to explore further

- Of the £5.1m for software and licensing, £1.5 is Microsoft licensing. Further investigation should be taken to review licencing structure and ensure everyone has the appropriate level of licencing. In the information provided everyone has E5, it may be possible to reduce some staff to E3. This could be explored through your MS licensing partner.
- There are multiple contracts with some suppliers, specifically Civica and Capita, there may be opportunities to create a more strategic approach and more preferential benefits clauses. Better understanding contractual arrangements around support and increase ROI.
- Make better use of the CMDB and the metadata model to understand the application landscape and the relationship with contracts for identification of change opportunities and improved reporting.
- The use of a third party to fully analyse the wider software licence and utilisation landscape to identify areas where more robust license management can reduce costs.
- There are opportunities, through combined activities such as Service Design, integration and automation to increase the utilisation of corporate / enterprise platforms such as MS365, ERP, TotalMobile etc. to increase the return on investment and achieve additional savings, through application rationalisation and process efficiency. However, some core capabilities need to be improved to properly explore and realise these opportunities.
- Areas for potential rationalisation or improved utilisation
 - SharePoint for file storage / EDRMS
 - Power Platform for process improvement and reduction in off-system data processing
 - Combined use of Academy and Digital360 in Revenues & Benefits
 - Asset management systems (already looking at Keystone & TechForge)
 - Case Management solutions (often challenged by the need to apply complex business rules)
 - Payment solutions
- The recent virtualisation project has put the on-premise infrastructure into a good place. The increased use of cloud services will reduce infrastructure costs but will need to be realised over time as opportunities arise and principles are applied. Costs savings from Infrastructure as a Service are difficult to realise without the right operating model, though there are other benefits to this approach. Putting together an infrastructure roadmap could plan in future opportunities but may require some external advice and upskilling for new approaches. This could also help with some of the ongoing database contract costs.



Next steps

Immediate next steps

To review with SCC

- ✓ Gavin to review the draft report, making any requested changes
- Present final report to Mel
- Digital strategy to relevant boards for review/approval
- Gavin and team to review all the outputs in detail and consider which of the recommendations they will take forward and how
- Gavin and Alex to discuss the potential commissioning of the next phase of support
 - Service Design Discovery deep dive is recommended to help prove the value of a Service Design approach (supported by an EA framework) it can demonstrate realisable benefits and saving and provide a transferable SD framework and toolkit (covering all the activity from slide 22) i.e requirements gathering and user research methods
- The team to discuss, with Gavin, the need to conduct a deep and detailed review the commercial/contractual position in ICT, including licencing
- Discuss how a Digital Skills Assessment or Learning Needs Assessment could assist the longer-term evolution of the workforce, this could also include standing up a digital champion network
- Gavin to look at quickly implementing the new governance board structure (incorporating the Projects & Change team in producing the TOR and principles)
- Gavin and team to begin the process of standing up an IT business partnering function
- Gavin to promote the Digital Strategy to Senior Leaders for dissemination
- Gavin to consider a benchmarking exercise (Socitm benchmarking club)
- Investigate the continued involvement with a professional network to keep abreast of relevant information and innovation

Potential next stage of work

Service Design discovery within specific areas

Challenges:



Governance

To support efficient procurement, increased capability and improved digital skills



Service Design

Embedding better service design, knowledge transfer to your team for the future



Engagement

Engagement with stakeholders, staff and integration with the wider organisation



Change Management

Change programme management, successfully embedding improvements



Understanding requirements

Requirements gathering facilitating a joined-up approach



End user perspective

Engaging with end users, understanding their needs and access routes

Suggested scope of next activity:



Outputs you could expect:

- A Service Design discovery covering one or two service areas, documenting opportunities for improvement and an assessment of the financial and non-financial benefits that can be achieved in those service areas (to include user workshops, process maps, financial review, technology estate review and recommendations)
- A service design framework with toolkit which can be used as a blueprint for further service design
- An EA framework for managing your architecture, business and technology estate in a holistic and consistent way
- A high-level view of the potential 'art of the possible' savings across the organisation/Corporate Services using a Service Design approach alongside an Enterprise Architecture framework which can be adopted and taken forward
- A recommended approach to setting up an EA practice and a governance process aligned to current change processes with prioritised activities

Appendices

Strategy

Discovery report

Roadmap spreadsheet

SDMA

Capabilities assessment

Governance review

Technology & Architecture Review