



<b>Report for:</b>	<b>Cabinet</b>
<b>Date of meeting:</b>	<b>12 November 2019</b>
<b>Part:</b>	<b>1</b>
If Part II, reason:	

<b>Title of report</b>	<b>New Normal Technology Pilot Projects</b>
Contact:	Author/Responsible Officer  Andrew Williams, Portfolio Holder for Corporate and Contracted Services Linda Roberts, Assistant Director – People, Performance and Innovation,
Purpose of report:	To seek approval to formally appoint preferred suppliers to enable the Council to commission pilot projects to support the New Normal Technology Work-stream.
Recommendations	<ol style="list-style-type: none"> <li>1. That Cabinet agree to the principle of running pilot projects in the Council in Business Process Reengineering and Robotic Process Automation and agree to appoint the suppliers noted in the Part II report.</li> <li>2. That Cabinet recommend council approval to release £93,495 from the Management of Change reserve to fund this work.</li> </ol>
Corporate Objectives:	<u>Delivering an efficient and modern Council</u> The use of the techniques delivered in the pilot projects will enable the identification of process inefficiencies in the Council. This will enable remediation to be identified, planned and executed to deliver savings. These may or may not make use of robotic process automation software.
Implications: Financial	<u>Financial</u>  The projects will demonstrate how these techniques can be successfully used in the Council to identify and remove process inefficiency from Council services. These techniques will be essential for the services to implement sustainable savings that contribute to targets identified in the Medium Term Financial Strategy <u>Operational</u> By procuring centrally the PPI team are ensuring the quality of supplier and ensuring that recommendations are viable within the Council's ICT infrastructure.

'Value For Money Implications'	<p><u>Value for Money</u> By using the Council's procurement approach the PPI team has ensured that the suppliers are able to provide the best quality of service with the most appropriate cost.</p>
Risk Implications	<p>The risk of appointing poorly qualified suppliers to support the Council in the development of the projects has been mitigated by conducting a tender through the Council's Procurement team to invite interest in the opportunity and enable the best suppliers to be selected.</p> <p>Although potential changes will be identified and in the case of Robotic Process Automation software will be deployed they will not be delivered in the live environment. This is because these are pilot projects and so no existing software or changes will be made at this stage until the projects have completed and recommendations made as to how make the changes permanent.</p> <p>Any additional risks would be further managed through careful planning and project management and by ensuring that sufficient resources are allocated to the projects.</p>
Community Impact Assessment	Community Impact Assessment is being undertaken at programme level for New Normal
Health And Safety Implications	None
Monitoring Officer/S.151 Officer Comments	<p><b>Monitoring Officer:</b> Officers must ensure that the preferred suppliers agree to an appropriate service contract or terms and conditions prior to commencement of the contract.</p> <p><b>Deputy S.151 Officer</b> The contracts have been procured following the standard DBC procurement process and the evaluation criteria included a value for money assessment.</p>
Consultees:	<ul style="list-style-type: none"> <li>• New Normal Programme Board (Chief Executive, Chief Officer Finance and Operations, Chief Officer Housing, AD Corporate and Contracted Services</li> <li>• Procurement team</li> <li>• Potential BPR and RPA suppliers through tendering process</li> </ul>
Background papers:	Cabinet-12-02-19-New normal programme-Appendix A
Glossary of acronyms and any other abbreviations used in this report:	<p>BPR – Business Process Reengineering</p> <p>RPA – Robotic Process Automation</p>

## Executive Summary

1. The New Normal strategy was approved by Cabinet earlier this year and is the Council's approach to change management and enabling the embedding of continuous improvement in the Council's Services.

2. One of the work-streams of New Normal is Technology and, as well as delivering more strategic policies, the work described in this paper is part of a programme approach to deliver agile pilot projects in a short two to three month period.
3. There is a need to identify ways to modernise the Council, finding new ways of working and service improvement. Both Business Process Reengineering and Robotic Process Automation have been used successfully in delivering efficiencies in other local authorities. However, to minimise any potential risk we are proposing initially to pilot the use of these approaches in the Council.
4. A tender was conducted by the Council's Procurement team in order to identify and select the most appropriate bidders and the preferred Suppliers are identified in the Part II report
5. It is recommended that the Council approves the release of £93,495 from the Management of Change reserve to formally appoint the suppliers and implement the pilot projects.

## **Introduction**

6. The Council approved the New Normal strategy in February 2019. It is a programme that covers the way things are done in DBC, from defining how we deliver services to our customers, implementing new operating models and systems that support new ways of working, through to supporting our staff in the development of the skills they need to respond to the challenges being faced. This includes addressing New Ways of Working and making best use of new technologies in the improvement of service delivery.
7. This cabinet report explains the approach taken, what the pilot projects will seek to achieve and requests to draw down from the Management of Change reserve to provide the funding for this work.

## **New Normal Technology Pilot Projects**

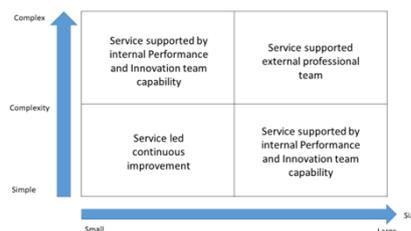
8. An important component of New Normal is the approach to technology and how it can support new ways of working. In order to drive this forward there are two parts to the Technology Work-stream:
  - Strategic developments – which will be delivered over a period of time and will include outputs such as a Data Governance Framework, Current and Planned IT Systems Architecture and a Technical Design Authority and Governance;
  - Agile Pilot Projects – which will deliver outcomes in a much shorter timescale, typically 2 to 3 months.
9. The Agile Pilot Projects enable the Council to trial new ways of working and/or technologies in a short focussed period. This report is seeking the agreement to draw down from the Management of Change reserve to fund the pilots. This will enable the Council to assess their benefits, find the most effective way to deploy them, and assess providers who can then be used across the Council in a controlled manner.

10. If the pilot projects prove successful then it is anticipated other areas of the Council would work with the approved providers. This work would be self-funded through a business case in line with usual Council service improvement plans.
11. The Council recently went out to tender to identify suitable partners to work with to develop new ways of working within DBC. The areas are:
  - Business Process Re-engineering
  - Robotic Process Automation

## Business Process Re-engineering (BPR)

### Background

12. Like any other organisation, DBC has business processes that have evolved over time as the environment, tools and people have changed. This can lead to the development of inefficient processes that are difficult to manage, and difficult to improve quickly. Processes can be so large, complex and unwieldy, as well as having to accommodate new aspects of services, it can mean finding improvements can be hard, particularly when officers are busy delivering the service itself.
13. This is when the technique of Business Process Re-engineering can be very useful. The approach analyses current processes and workflows and, through detailed engagement with those carrying out the work, challenges how things are done to develop an improved business model. When done well it can help organisations fundamentally rethink how they undertake their work in order to improve effectiveness and efficiency.
14. This technique has been used in the Council but it can be difficult to do this type of review when the problems appear large and or complex. The diagram below shows what this can mean in practice:



15. For simple and small improvements, these can be done by the service itself as part of continuous improvement.

Where the business problem is either complex (e.g. occurs across multiple different teams) or large (e.g. has many different touch points or people involved), the service would benefit from being supported in such a review. The Council has a Performance and Innovation Team able to undertake those kind of reviews working closely with the end users, with the support of the ICT team.

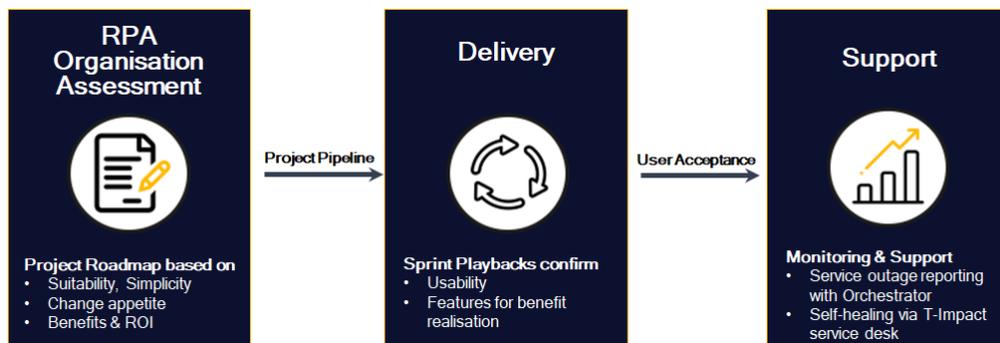


- Business Value Report – potential high level benefits such as productivity improvements, cost reductions, revenue generation and a high level expected return on investment (ROI) calculations. This will form the basis of a business case to implement the recommended improvements.

## Robotic Process Automation (RPA)

### Background

21. Robotic process automation (RPA) is the practice of automating routine business practices with "software robots" that perform tasks automatically. They are a way of replacing boring, repetitive tasks, currently undertaken by staff, with software that can carry them out without mistakes and schedule them for any time, day or night.
22. Implementing robots would support our existing staff, doing the work they don't like doing. After all, few job descriptions say "you will spend most of your day entering data in spreadsheets and re-typing data into numerous IT systems". Freeing up this time will not only improve staff morale, but help optimise our business processes, ensuring they are followed consistently and accurately and allowing officers to concentrate on higher value, higher return processes.
23. Robotic process automation has not been used in the Council before, but it has been adopted and delivered valued in a number of other local authorities. In order to minimise any risk to the organisation, the Council went out to tender and have selected a preferred supplier.
24. The supplier has worked with a number of local authorities including London Borough of Hackney and Durham County Council and they use the market leading RPA software UI Path to produce the robots. As this is a pilot, no processes will be replaced by robots but they will be built run in parallel to demonstrate what is possible and what the benefits may be. If the automated processes are shown to deliver value then they could subsequently be put into the live environment with relatively little additional effort.
25. The following diagram shows the approach to developing the pilot RPA projects:



26. The first piece of work will be to identify which two business processes the Council wishes to automate. A number have already been identified and were

included in the tender process. However, a workshop with representatives from across all services will be run to identify the best examples.

27. The outputs from this work will be two robots that automate these two business processes, with full documentation about working in the Council's IT environment and a report detailing both the likely business benefits and how these can be captured in a business case.
28. As this is a pilot projects, the automations will not be placed into the live production environment. We want to demonstrate the viability of this approach first. Hence no business benefits will be realised at this stage.
29. If the two pilot automations are successful, the Council will use the same approach to identify a list of further suitable processes to be automated. This work will be subject to the normal business case process as there is no need to automate processes if there is no benefit in doing so. This in line with standard service improvement plans.

### **Costs and benefits**

30. The tender for the technology pilot projects was conducted through the Council's Procurement team and this approach was used to identify preferred suppliers who will work in partnership with the Council to deliver the projects.
31. It is anticipated that if the projects are successful the Council will seek to negotiate longer-term (up to 18 months) contracts with the suppliers to enable further work to be done. However, this work will only be commissioned on the approval of a supporting business case from the Services.
32. The following table shows the costs required by the preferred suppliers for the two types of pilot:

Name	Amount
Business Process Re-engineering	£49,995
Robotic Process Automation	£43,500
Total	£93,495

33. The primary benefits of this approach are demonstrating that the:
  - techniques of BPR and RPA can deliver value to the Council
  - most appropriate supplier for long-term engagement have been selected.

### **Recommendation**

34. That Cabinet agree to the principle of running pilot projects in the Council in Business Process Reengineering and Robotic Process Automation and agree to appoint the suppliers noted in the Part II report
35. That Cabinet agree to release £93,495 from the Management of Change reserve to fund this work.