

Report of Chief Digital and Information Officer

Report to Director of Housing and Resources

Date: 7th May 2019

Subject: Framework Contract for Yorkshire & Humber Software Development and Support

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Summary of main issues

1. There is a requirement for a new framework contract for Yorkshire and Humber (Y&H) local government and health organisations to facilitate the development and support of software solutions/products.
2. It is proposed that Leeds City Council (LCC) own this framework on behalf of the wider region, because it has a requirement to use it and also has experience owning and operating similar contracts on behalf of the region.
3. Y&H are operating a collective health and care initiative called the Local Health Care Record Exemplar (LHCRE) and the strategic software products emerging from this require long term support and development and this framework will facilitate this requirement.
4. The Y&H LHCRE is supportive of LCC running this procurement and managing the resultant framework contract and associated suppliers. The anticipated contract award date is the end of August 2019.

Recommendations

1. That the Director of Resources gives approval that Leeds City Council deliver this procurement on behalf of the Y&H region and manages the resultant contract and associated suppliers.

1. Purpose of this report

- 1.1 To articulate the background and need for this framework and the rationale for LCC owning and managing the resultant contract and associated suppliers.
- 1.2 Present sufficient information to allow the Director of Housing & Resources to make an informed decision on the recommendation that LCC deliver this procurement on behalf of the Y&H region and manage the resultant contract and associated suppliers.

2. Background information

- 2.1 LCC have a requirement to supplement their own systems development and support resources with additional resources to develop and in some cases support new software solutions/products.
- 2.2 LCC hosts and operates a broad range of software solutions/products, a significant number of which are line of business packaged applications that are enhanced and currently supported by a range of corresponding suppliers. LCC also has its own development & support capability based on a number of platforms with Microsoft being the main platform for internal software development. It is mainly the Microsoft platform that requires additional resources to augment LCC resources to help develop and support new solutions as demand dictates.
- 2.3 There will be other platforms too that require additional resources to help accelerate development, for example for mobile 'Apps' or specialised applications, particularly (but not exclusively) in the health and care space.
- 2.4 There are other local government and health organisations and initiatives across Y&H that equally require resources to develop similar capabilities based on local and broader needs. In particular, there is the Y&H Local Health Care Record Exemplar (LHCRE) which is a cross cutting initiative that is ultimately connecting health and care records across 80+ health and local government organisations. There are products emerging from this initiative that need to be enhanced and supported as a priority.
- 2.5 The region (like other regions) is not as mature as it needs to be in terms of developing solutions/products that are built once and then shared and reused many times.
- 2.6 The Yorkshire & Humber region has a broad range of agile digital companies who are delivering innovative solutions locally, nationally and internationally. It is expected that some of these companies (along with others from beyond the region) will be interested in joining this framework to help deliver the extra capacity we collectively require.
- 2.7 LCC have significant experience of successfully running similar procurements and managing similar contracts e.g. the Y&H PSN and HSCN contracts. LCC have received a level of income for undertaking these responsibilities.

3. Main issues

- 3.1 Y&H Local Authority and Health organisations often do not have the capacity or in some instances the capability to develop and support new software solutions/products.
- 3.2 Therefore a framework is required that will bring together a group of agile suppliers with a broad range of skills, knowledge and experience who are committed to building

solutions/products in a way that facilitates sharing and reuse. This will involve the whole lifecycle from discovery, through user centric design to development and optionally support. This will require suppliers to sign up to a set of 'open principles' and an acknowledgement that any 'intellectual property' developed will be owned by Y&H and can be shared and reused by the wider public sector subject to licensing terms & considerations. The same suppliers will also need to be committed to working together collaboratively in order to enable effective support or where appropriate, product handover for local support.

- 3.3 LCC are well placed to lead on this Y&H wide procurement and subsequently own and manage the contract based on experience of managing similar for the Y&H PSN and HSCN. The Y&H LHCRE are supportive of LCC taking the lead on behalf of wider Y&H.
- 3.4 LCC presently receive a level of income for supporting existing Y&H contracts and it has been agreed that LCC can levy a reasonable charge for delivering the procurement and owning and managing this contract and the associated suppliers.
- 3.5 LCC as the owner of this framework contract will have obligations on behalf of the wider Y&H organisations to manage the contract and the suppliers.
- 3.6 These obligations will ensure that the suppliers meet the terms of the framework contract. LCC will act on behalf of all Y&H organisations where there are issues that affect multiple organisations e.g. for the LHCRE products.
- 3.7 Contract management obligations will ensure performance levels are met by the suppliers. Suppliers will attend regular contract review meetings with LCC as the framework contract owner.
- 3.8 These obligations will be managed through the City Strategic Sourcing (CCS) team, an intelligent client function sitting under LCC. The CCS will receive a level of income through a levy made on any associated call-off contracts. The levy will be administered by LCC.
- 3.9 This report seeks approval for Leeds City Council to deliver this procurement on behalf of the Y&H region and manage the resultant contract and associated suppliers.

2. Corporate considerations

2.1 Consultation and engagement

- 2.1.1 Cllr James Lewis, the Director of Housing and Resources, the Y&H LHCRE Programme Director, the DIS Leadership Team and the City Strategic Sourcing team have been consulted in relation to this procurement and subsequent management of the contract and suppliers.

2.2 Equality and diversity / cohesion and integration

- 2.2.1 There are no associated equality/diversity issues.

2.3 Council policies and best council plan

- 2.3.1 This contract will underpin the development of software services that are built once and shared/reused many times which is in the best interest of public funds. Many of the services under this contract will be commissioned by regional health and care

organisations and for LCC this aligns strongly with the aspirations of our Health and Wellbeing strategy.

2.4 Resources and value for money

- 2.4.1 Leeds City Council will commission services under this framework contract based on justified business cases. Any capital or revenue implications will be articulated in these business cases.
- 2.4.2 The framework contract will be administered through the City Strategic Sourcing team under LCC. This team will receive a level of income through a levy on any associated call-off contracts.

2.5 Legal implications, access to information, and call-in

- 2.5.1 The estimated value of this framework contract is expected to be greater than £250K annually and is therefore classified as a Key Decision and subject to call-in. There are no grounds for keeping the contents of this report confidential under the 'Access to Information' rules.
- 2.5.2 This procurement is being undertaken using the OJEU Open Tender procedure and is subject to the Public Contract Regulations 2015.

2.6 Risk management

- 2.6.1 There is a minimal risk that any contract award is challenged in relation to the Council's conduct of the procurement. This will be mitigated by the standstill period at the preferred supplier(s) point and before contract award.
- 2.6.2 There is also a risk that organisations will not use the framework because services are not competitive. This may lead to a situation whereby insufficient orders are placed generate income for the City Strategic Sourcing team. The sustainability of CCS team is not dependent on this framework contract because it is presently being funded in part by other Y&H contracts.

3. Conclusions

- 3.1 There is demand within LCC and across wider Yorkshire & Humber for this kind of framework contract.
- 3.2 LCC are well placed to run the procurement on behalf of Y&H and manage the resulting contract and associated suppliers and it has its own requirement for a similar framework.
- 3.3 There are some associated risks but the impact is low and mitigating measures have been considered.

4. Recommendations

- 4.1 That the Director of Resources gives approval that Leeds City Council deliver this procurement on behalf of the Y&H region and manages the resultant contract and associated suppliers.

5. Background documents¹

5.1 None.

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.