

Integrated Digital Services - Vision and plans Scrutiny session 2.

Date: 19<sup>th</sup> July 2021

Report of: Leonardo Tantari – Chief Digital Information Officer

Report to: Scrutiny Board – Resources

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

## **What is this report about?**

### **Including how it contributes to the city's and council's ambitions**

- This report expands on the overall vision and plans reported at Scrutiny Board – Resources on 21/6/21. Further detail is provided covering:
  - Prioritisation
  - Resource and capacity management including balancing of resource to Council/CCG work
  - Workforce Planning
- The vision and future direction for Digital is a key enabler in the ambition for the city and the Council

## **Recommendations**

- a) Scrutiny Board to note the existing actions underway around prioritisation of projects
- b) To note the increasing resource capacity required to support compliance regimes and to proactively protect our systems against potential security vulnerabilities.
- c) To review the challenges in relation to our ability to recruit and retain suitable skilled technical specialists and provide input to the suggested actions
- d) To note the service workforce plan themes

## Why is the proposal being put forward?

- 1 The Integrated Digital Service underpins the delivery of services by the Council, CCG, GP practices and other partners to the citizens, businesses, and visitors to Leeds.
- 2 This report expands on the overall vision and plans reported at Scrutiny Board – Resources on 21/6/21. Further detail is provided covering:
  - Prioritisation
  - Resource and capacity management
  - Workforce Planning
- 3 The vision and future direction for Digital is a key enabler in the ambition for the city and Scrutiny board are requested to review and provide input to the issues and suggested actions.

## What impact will this proposal have?

**Wards affected: All**

Have ward members been consulted?       Yes       No

### 4 Prioritisation of projects

There is significantly more demand for change than the current capacity of IDS or the business can effectively manage. In agreement with CLT, IDS have established a set of criteria which categorises project requests into 4 priorities and this is being used in identifying where best to target limited resources.

The overall prioritisation criteria used is:

		Prioritisation Criteria	
		Priority 1	Priority 2
Strategic Importance	Strategic Importance:		As 1 on Strategic Importance but flexibility on Urgency:
	Clear & Significant Savings		Delivery timeframe has scope for further slippage of up to 12 months
	Critical Service Failure		
	Cross-cutting / Corporate Solution		
	Legislative / Compliance		
	Unforeseen Event e.g. COVID-19		
	Urgency:		
	Immoveable deadline or delivery within next 6-9 months		
		Priority 3	Priority 4
		As 1 on Urgency but flexibility on Strategic Importance:	As Priority 1 but flexibility on both Strategic Importance and Urgency
	Low Savings (savings less than cost to deliver)		
	Critical Service Failure - alternative options available		
	Cross-cutting / Corporate Solution		
	Mitigate or accept Legislative / Compliance driver		
	Not an Unforeseen Event		

Confidential Appendix A provides details of the current portfolio of projects and the associated prioritisation scoring. These are grouped by priority score. Appendix A will be shared with Board members in advance of the meeting as a confidential supplementary item.

Discussions have recently taken place with Corporate Leadership Teams within the Council regarding the capacity challenges and project priorities with several actions agreed:

- Chief Digital Information Officer to meet each directorate leadership team to review the priorities of their business projects followed by collective further review at CLT
- 5 year plan to be developed for the rationalisation of applications along with associated investment identified, which would reduce the overall resource overhead currently involved in supporting and upgrading applications. This will require business changes to adapt processes to work with different solutions.
- Capacity to be redirected to project work which will require retraining and changes in the skills mix of the service.

## **5 Compliance project priority**

The security compliance agenda increasingly requires significant resource capacity to proactively and continuously managing our security defences against cyber-attack and to ensure we meet the security standards required for external certification regimes such as PSN (Public Sector Networks) and PCI (Payment Card Industry).

There have been several high-profile attacks against other organisations including Local Authorities over recent months and attacks are increasingly prevalent. The impact of a successful attack is extremely disruptive both for the organisation attacked and for those who rely on its services. Within Leeds we have an active programme of work to remove security vulnerabilities in systems, to continually update our systems against emerging new threats and to block attempted attacks.

Work such as the Access upgrade project, though delivering no immediate apparent business benefit in terms of cashable savings or improved citizen outcomes, is categorised as a high priority as a result of the security and accreditation risks that exist if the systems are not upgraded.

The technical security skills needed to deliver much of this work are in high demand nationally with market salary levels significantly more than those offered by Leeds. The required skills take considerable time to develop and whilst we have invested in developing our own people for a number of years in these skills as well as seeking recruits externally, the growth in demand for technical security input to work is such that we have a capacity shortage to support all the projects on our books which requires technical security input.

More detail on capacity shortages across this and other roles within the service are covered in section 6 below.

## **6 Resource and capacity management**

With multiple projects alongside maintenance of robust services (Lights On service) and a variety of technical skillsets, the balancing of capacity to demand is a key activity and requires robust approaches in order that we can effectively forecast and optimise workloads.

From a business perspective, knowing when IDS can deliver a project change is critical.

From a staffing perspective we need to ensure we optimise use of our resources, that staff know what work needs to be completed by when and that we do not overload or underutilise the resources available.

There are resource challenges in several areas of IDS where demand outstrips capacity for specific technical skills and experience. We struggle to recruit and retain skilled staff due to high demand for these skills where we are competing for talent with many other employers, both private and public sector, for the same candidates.

The current resource types where demand is consistently outstripping capacity are:

- Solution Architect
- Service Development Technical lead (including Security technical leads)
- Tester
- Integration
- Business Intelligence (BI) Data Warehouse/Graphical Information Systems (GIS)

The current average market rates paid for these posts compared with Council salaries are:

Role	Average Market Salary	LCC Grade	LCC Pay	Advertised (in Last 3 Years)	Successful Appointment
Solution Architect	£75,000	DIR 45%	£52,530 - £57,783	April 2021 February 2021 July 2019 November 2018	Yes (internal)
Technical Lead (Security)	£62,000	PO6	£43,857 - £46,845	February 2021 February 2019	No
Technical Lead (Server Technologies – Hybrid Cloud)	£60,000	PO6	£43,857 - £46,845	February 2021 December 2018	No
Technical Lead (Client Technologies – Hybrid Cloud)	£60,000	PO6	£43,857 - £46,845	February 2021 December 2018	No
Technical Lead (Networks & Security)	£60,000	PO6	£43,857 - £46,845	February 2021 October 2019	No
Technical Lead (Unix)	£47,000	PO4	£38,890 - £41,881	February 2021 October 2018	No
Software Tester	£42,500	PO2	£32,910 - £35,745	January 2019 November 2018	Yes (Internal & External)
Developer (Integration, BI Datawarehouse, GIS)	£50,000	PO6/PO4/PO2	£43,857 - £46,845  £38,890 - £41,881  £32,910 - £35,745	April 2020 May 2019 November 2018 August 2018	No

It should be noted that the table above covers the current roles where we have specific challenges. As technology changes we will require different roles with the same challenges in relation to the market rate for the role, our salaries and competition for talent against other recruiting organisations. An example of this will be future need for Cloud Solution Architect where current market rates are circa £90,000.

To attract candidates to our vacancies and to retain our existing skilled staff, we need to review the pay and grading structure used for these technical posts, ensure these better match market salaries and have an ongoing mechanism for reviewing and salaries.

The NJC scale has a maximum salary of £46,845 so, to pay closer to market rates, some technical posts have been placed on the JNC scale. This also needs resolving as it creates a false picture of the number of management/leadership roles which the JNC structure is intended for. The technical posts within the service need a grading structure which recognises the specific technical skills and experience and, an associated salary structure which is commensurate with the rest of the IT industry market. The rates paid for roles then needs reviewing against the market on a regular basis.

Agency staff have been used within the service to meet peaks in demand and to fill roles where we have been unable to recruit on a permanent basis. Some agency staff have been with us for extended periods as project demands requiring their skillsets has exponentially risen. Commitment has now been given that going forward we will only retain agency staff for a maximum of a 2-year period and there will be a requirement for those agency staff to undertake skills transfer as part of their contract.

There have been repeated unsuccessful attempts to permanently fill roles due to the salaries on offer. Whilst we have had a longstanding and successful approach of developing staff into some of these hard to fill roles, that development and building of expertise takes several years. Overall, our growth in capacity (through training our own people) has not managed to keep pace with the continued rise in demand.

Resolving the market rates paid will improve our ability to attract and retain skilled capacity. This will in turn lead to a reduction in agency usage. The rates paid to the agency workers within the service are higher than permanent market rates salaries so addressing the market rate for our permanent roles will reduce costs in comparison to using Agency staff. It should however be noted that existing permanent staff would need to be regraded at the same time in line with any new market rate agreed. It should also be noted that most Agency staff are working on capital or externally funded projects so whilst there is an overall reduction in cost to capital schemes, revenue budgets will not be significantly affected.

To further support our capacity, work is also underway to undertake a procurement that will provide access to additional resource capacity as a 'body-shop' style service. This will be used where we need to temporarily access additional resources to meet peaks in demand or for specific niche skill sets.

## **7 Project capacity Council**

With a shared services model, some of our IDS resources provide 'lights on' support across all organisations however this does not currently include those resources undertaking project management which are currently aligned directly to either the Council, City team or CCG project work.

The breakdown of effort expended on project/support activity currently is 30% on project delivery and 70% on support activity. The service is working to automate tasks, change technologies and reduce the application estates in order that additional capacity can be freed up, staff reskilled and redirected to project change activity.

## 8 Workforce planning

There are several key strands in relation to our workforce plan which were covered in full in the initial Scrutiny report. For the purposes of this report we have provided additional information on those elements which relate to the areas of focus for this second session.

- **Retraining**  
Changes to technologies (such as M365) and an increase in use of Cloud solutions will require new skills within our existing workforce. Training is undertaken online in the majority of cases with IDS having access to technology specialist training courses. Training has been scheduled covering Amazon Web Services and Microsoft Azure. A contract for the provision of technical training is being put in place giving all staff within the Digital service online access to the latest technology training resources. The use of Microsoft PowerApps is being investigated and new roles will be created to support this activity with existing staff redeployed and retrained.
- **Market rates**  
This is covered in more detail in section 6 detailing the need for a grading structure and salary scales which support payment of market rate salaries for technical specialist roles.  
Further information showing the market rate research is contained at Appendix B.
- **Agency**  
The service has a framework of suppliers who source IT specialist Agency workers. The use of Agency will continue to meet peaks in demand or for niche skills however we will reduce our reliance and the timeframe they stay with us to less than 2 years, make it part of their contract to undertake skills transfer and we will also ensure we have available permanent capacity to which they can pass on knowledge and skills. Agency workers within the IT industry are typically highly paid (above market permanent salaries).
- **Overtime and out of hours working**  
Overtime is typically used within the service to cover the resolution of system issues out of normal working hours and to undertake system upgrades out of normal working hours as a means of avoiding significant business disruption.  
The service will review the opportunity to introduce different working patterns and the options for upgrading systems during the working day whilst minimising or removing any business disruption.
- **Supplier capacity**  
IDS currently use a Yorkshire & Humber framework contract for Application Development and for User research. There are several suppliers providing products and the associated support of those products.  
Work is underway to put in place a contract for the supply of technical resources as a 'bodyshop' type service to meet peaks in demand and for the supply of niche technical skills.
- **Trainee Developer scheme**  
We continue to successfully recruit and train staff as IT developers typically taking on 3 or 4 staff each year to a 2- year programme at the end of which they apply for permanent vacancies on our structure.
- **Student placements**  
We will continue to take students on during their work placement year. We will also continue to offer part time work during their final university year where this is a hard to fill role for us (and where it fits with their course commitments) as a means to attracting them to apply for a full time vacancy.
- **Apprentices**

We will continue to support staff to undertake apprenticeships both in general business-related disciplines and the digital specific apprentice schemes.

### **What consultation and engagement has taken place?**

- 9 The lead member for Resources will be consulted on all IDS initiated schemes of work
- 10 CLT and Best Council Leadership and the CCG EMT have been briefed on the broad vision for IDS and the priority areas of focus.
- 11 Specific projects will determine the need and approach to consultation and engagement as part of the project business case.
- 12 In relation to changes which impact IDS staff roles and skills, direct engagement with staff is underway through regular communication channels, Union consultation is undertaken with both CCG and Council union representatives.

### **What are the resource implications?**

- 13 The delivery of projects requires allocation of resource from the existing IDS resource pool – this will be supplemented through use of existing and new supplier frameworks or Agency workers.
- 14 Existing staff are being reskilled in new technologies and capacity will be diverted to project delivery from ‘lights on’ support over time as we rationalise the number of applications in use.
- 15 Management of IDS resource capacity will be undertaken by IDS Prioritisation and Resource Allocation forum.

### **What are the legal implications?**

- 16 There are no specific legal implications relating to this report. The legal implications of individual projects will be assessed at project start up.

### **What are the key risks and how are they being managed?**

- 17 Resource availability – Work is managed through the Prioritisation and resource allocation forum where decisions can be made around the scheduling of work or the need to source additional capacity.
- 18 Prioritisation of work – The Digital Board will review all potential requests for work and ensure that only those that are a priority are brought forward to IDS for consideration.
- 19 There are three corporate risks and two directorate level risk managed by IDS
  - AH 12 - Information Management and Governance
  - CH 11 – Information Management and Governance
  - LCC15 – Major ICT failure
  - LCC 26 - Information Management and Governance
  - LCC 31 - Major Cyber Incident

### **Does this proposal support the council’s three Key Pillars?**

Inclusive Growth       Health and Wellbeing       Climate Emergency

- 20 The delivery of robust ‘lights on’ support, project change delivery, proactive protection against cyber-attack, management of our information compliance regime, digital leadership and data analytics all directly support the three key pillars.

- 21 The combined team for Council and CCG directly supports the health & Wellbeing agenda.
- 22 The move to Cloud based computing, increased Digitisation and Digitalisation support Climate Emergency through reduction in energy and paper usage plus a reduction in staff travel.

### **Options, timescales and measuring success**

#### **a) What other options were considered?**

- 23 Project prioritisation – other categorisations were considered. The defined criteria have been agreed by CLT and CCG EMT.
- 24 Use of market rate salaries to improve chances of recruiting and retraining technical staff – further outsourcing of roles or additional use of agency/staff could be done however there will be a significant cost overhead which is not deemed viable.

#### **b) How will success be measured?**

- 25 Project & portfolio reporting to measure delivery and benefits realisation of projects.
- 26 Ongoing evaluation of market rate salaries
- 27 Ongoing review of capacity available for project activity to that spent on 'lights on' activity
- 28 Review of reskilling and uptake of training via service Workforce meeting.

#### **c) What is the timetable for implementation?**

- 29 The delivery of the service vision and associated projects overall covers the period 2021-24.

### **Appendices**

Appendix A – Portfolio of projects CONFIDENTIAL and to be provided as a supplementary item

Appendix B – Market rate salaries

### **Background papers**

None