

Integrated Digital Service – Resource Augmentation Framework

Date: 14th November 2023

Report of: Chief Digital Information Officer

Report to: Director of Strategy & 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 sets out the outcomes of a recent procurement exercise to establish a Resource Augmentation Framework within IDS. Approval to proceed with a tender exercise to establish a framework was agreed in [July 2023](#). A procurement exercise has now been completed and preferred suppliers identified. This report is to approve award to the successful suppliers.
- The framework will cover all resource types within IDS to ensure that the service can, flex up at pace, the necessary resource to support delivery of a multi-million-pound programme of change initiatives (around 200 programmes and projects).
- IDS provide services across the Council, the Integrated Care Board in Leeds (ICB), Leeds GP practices plus Aspire, West Yorkshire Joint Services, several schools, and Leeds Grand Theatre. Under the Chief Digital Information Officer, a single IDS team spanning both the Council and the ICB is in place.
- 32 suppliers submitted responses on time. These were evaluated as part of the Supplier Selection Questionnaire (SSQ) stage. Ten suppliers were then shortlisted and their responses to the Method Statements were evaluated and scored. Supplier interviews were held on the 11th and 12th October 2023. The purpose of the interviews was to further investigate topics relating to the Method Statement and case studies provided at the SSQ stages. A final moderation session was held on 16th October 2023 where scores awarded to suppliers after the evaluation of the Method Statements were reviewed and adjusted accordingly based on the outcomes of supplier interviews. The table below shows the number of suppliers shortlisted against each Lot. Names are not listed here but note that there were a number of suppliers bidding for multiple Lots:

Lot 1	Lot 2	Lot 3	Lot 4	Lot 5
7	5	6	7	2

- The evaluation panel consisted of 4 senior members from IDS – Head of Portfolio Management Office, Head of Enterprise Architecture, Head of Product Management and Head of DevOps.

Recommendations

- a) To approve award of contract to the following suppliers for the IDS Resource Augmentation Framework:

Lot 1: Digital Engineering and Integration	Fujitsu	AireLogic
Lot 2: Digital Solutions and Automation	Fujitsu	
Lot 3: Digital Transformation Consultancy	Fujitsu	AireLogic
Lot 4: Digital Experience and Design	Fujitsu	TPX Impact
Lot 5: IT Operations & Support Services	No awards being made.	

- b) The multi-year framework contract for resource augmentation within the Integrated Digital Service will run to the end of November 2026 with the option for a further 12-month extension.

Why is the proposal being put forward?

- 1 To ensure the organisation structure and operating model for IDS supports effective provision of robust modern IT solutions which underpin the delivery of all Council and ICB digital services across the City.
- 2 IDS continues to struggle to recruit certain key posts that were identified as part of its Phase 2 structure in 2022. In addition, there are numerous teams that do not have sufficient capacity to deliver all the work required with the volume of work continuing to increase.
- 3 To support delivery, IDS uses a mix of contractors and suppliers sourced via several existing frameworks (such as Crown Commercial Services). This adds additional time and effort and does not necessarily provide cost economies.
- 4 The most cost effective and quickest way to address capacity challenges is via a framework that will allow IDS to augment its resources quickly. The framework covers the majority of IDS resource types and supports a longer-term reduction in the costs associated with bringing in external capacity on an ad-hoc basis.

What impact will this proposal have?

Wards affected: None

Have ward members been consulted?

Yes

No

- 5 This will be a framework contract to be drawn down upon as needed. As such, it will be a requirement for each call-off that is requesting the augmentation to establish the funding each and every time the framework is used. The framework will be administered within IDS, after engaging with Finance who will ensure that there is funding lined up before any work is commissioned. All call-offs will also be approved by the Digital Board.
- 6 The proposal does not impact on members of staff within IDS in terms of changes to structures or roles. However, it will be positive for IDS staff in removing workload pressures. It will also support IDS staff in their development and retention by enabling them to be involved in projects involving new technologies. This will allow them to gain the skills, experience and training

required to move into developing and supporting new technologies. In terms of the wider impact on staff across the council, it will help by allowing IDS to implement projects that improve access to information and tools that will make delivery of services quicker and easier.

- 7 This will ensure that members receive improved accessibility to information and services and an increase in satisfaction in not only the services they receive but also for the constituents they represent.
- 8 The wider impact on citizens will be easier accessibility to information and services, a reduction in complaints and an increase in satisfaction levels with council services.
- 9 The proposals in this report will strengthen the capacity of the IDS to a level which will enable a more rapid rate of delivery of priority project work alongside delivery of business-as-usual activities and will accelerate several key programmes of work. Delays in securing resources will cause delays to these major programmes that are reliant on releasing financial savings or keeping the council's estate secure and compliant. This includes major initiatives such as the Core Business Transformation Programme, Highways Enterprise Architecture Programme, Web Migration Programme, Cloud Migration, Modernisation and Compliance Programme, the Essential Services Programme, the Automation, AI and RPA initiatives.

What consultation and engagement has taken place?

- 10 Staff across IDS have been briefed on the proposals.
- 11 Digital Board will act as the governance body approving all call-offs and monitoring performance of the Framework.
- 12 The Executive Member for Resources has been briefed.

What are the resource implications?

- 13 There are no resource implications in terms of changes to structures or reduction in job roles. The resource implications relate to easing pressure on already over worked teams, thus reducing stress levels and attrition rates.
- 14 In terms of financial implications, it is anticipated that spend against this framework will be between £16 and £20m across the life of the contract (3 years with the option to extend a further 12 months). No new or additional funding is being put in place. All funding exists from current revenue and capital schemes and sources. Call off against the framework will be undertaken on a case-by-case justification with approvals required from the Digital Board with confirmation that funding is in place. All agreed work will be subject to regular and robust monitoring to ensure delivery and spend is effectively managed and reporting will also be undertaken via the annual CGAC reporting on IDS Governance.

What are the legal implications?

- 15 The Director of Strategy and Resources is authorised to discharge digital and information service functions in accordance with the officer delegation scheme (Executive Functions) set out in the Constitution.
- 16 Draw-downs against this framework within the approved annual value of up to £5m will be taken in accordance with the Director's sub-delegation scheme.
- 17 As a direct consequence of a previous Key Decision this is a Significant Operational Decision and will be published as soon as is reasonably practicable.

18 Draw-downs against this framework within the approved annual value of up to £5m will be considered a direct consequence of the earlier Key Decision (taken in July 2023) if in excess of £500k. These and drawdowns between £100 and £500k in value will be treated as Significant Operational Decisions and will be batched and published on a quarterly basis to ensure proportionality and practicability of publishing arrangements.

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

19 Workloads are extremely high and as a result pressure and stress levels are high in certain teams. IDS PMO is working with over capacity teams and identifying which of the top five priority 1 work items each team needs to focus on first. This is to help alleviate the pressure of so many competing priorities. However, it is not a sustainable option and so the resource augmentation framework is key to effectively managing this risk.

20 There is also a risk of staff attrition if we remain unable to fill key posts and move the volume of work for those teams that are over stretched due to the sheer volume of workloads. This will exacerbate the issue.

21 The council will need to manage the risk of balancing more traditional governance and funding models against the requirement to make the most of more agile ways of working to maximise the delivery of digital opportunities given the pace of technological change. Revised governance arrangements have been established which will support the management of this risk through robust benefits management and tracking incremental delivery against spend and available funding and reporting into Digital Board.

Does this proposal support the council's three Key Pillars?

Inclusive Growth

Health and Wellbeing

Climate Emergency

22 Digital capabilities play a central role in maximising the use of tools and technology to improve and transform the way the council works, provides services and engages with citizens.

23 The Council's Organisational Plan objectives include:

- Improving how we do business as a council / health by reducing bureaucracy and burdens on managers, simplifying policies, enabling more self-service, by bringing in new systems and processes to help us manage our finances, staff and employee records (Core Business Transformation (CBT) Programme).
- Improving our digital offer by enhancing digital skills, automating manual processes where possible, providing more technology services and infrastructure via the internet (cloud-based), and giving all staff, including those on the frontline greater access to digital tools and technology.
- Improving how we serve our customers by modernising our website and the ways people transact with the council so residents and businesses can do business more easily online, helping to enhance our offer to customers through the contact centre and other channels.
- Improving how we work with people & families by continuing to build positive and collaborative relationships with our residents and service users, taking a strengths-based approach where we work together drawing on people's personal skills, knowledge, capacity, and connections (assets), focusing on what they can do and not what they can't.
- Improving the coordination of our services in local areas by reviewing the services we provide in communities and how the council's estate is used to find opportunities for more integrated, effective, and efficient service delivery across our five directorates and with partners.

All IDS project work has been mapped to the Organisational Plan, so it is clear how digital supports delivery of the Plan.

Consideration of the climate emergency goals is integrated throughout the development, and implementation of digital services and functions. The move to cloud computing as part of the new IDS operating model supports the climate emergency through use of more energy efficient shared cloud hosting facilities. In addition, the reduction in physical printers across the organisation due to under-utilisation will contribute to the climate emergency goals. The service, when required, also use electric vans to transport equipment and staff as needed.

Options, timescales and measuring success

What other options were considered?

- 24 The continued use of contractors and the use of multiple suppliers secured via several different frameworks (including Crown Commercial Services) for specific items of work, provides no economies of scale cost wise and adds additional delays into securing resources.
- 25 For many technical resources types the contractor market is often not able to provide any candidates at all or the costs is prohibitive.
- 26 Therefore, a more radical and longer-term approach to addressing the capacity gaps is required. The resource augmentation framework will provide more cost effective and quicker access to over capacity resource types or access to skilled resources that IDS does not have.

How will success be measured?

- 27 Delivery of agreed priority programmes and projects will see delivery of:
 - Financial savings and efficiencies through the introduction of digital technologies that support streamline ways of working.
 - Improved customer experiences in accessing and receiving council services
- 28 Increase in throughput of digital change programmes of work will be evidenced through reporting from our Portfolio Management Office, specifically into the Digital Board which meets monthly.
- 29 Decreases in current staff overtime through increased resource levels, year on year reporting will be undertaken to the Senior Leadership Team.
- 30 Improved staff satisfaction evidenced through Pulse survey results and reviews of the IDS service wide Stress Risk Assessment.
- 31 Transition to cloud services and rationalisation of application estate reported through the specific projects established to undertake this work.
- 32 Reduced carry-forward of spend on IDS Capital Schemes.
- 33 There will be a defined call-off process (with call-offs approved by the Digital Board) where work packages are clearly specified along with spend and deliverables which will be closely tracked.
- 34 A Contract Management Plan will be compiled, and the IDS Portfolio Management Office will oversee, manage, and report on contract spend, supplier performance and delivery.
- 35 Every quarter there will be a formal review and report on the effectiveness of the Framework. The outputs will be reported into the Digital Board.

What is the timetable for implementation?

- 36 Implementation of these proposals will commence from the end of November 2023 and will be in place for 3 years, to the end of November 2026. There is an option to extend for a further 12-month period.
- 37 IDS is compiling an Annual Delivery Plan which will be reviewed each month as part of the Contract Management arrangements and will inform the call-offs that will take place against the framework. Monitoring and tracking of delivery against the plan and individual call-offs will also be undertaken on a monthly basis (as described in the Contract Management Plan).

Appendices

None.

Background papers

None.