

Approval to directly award a new contract for the provision of services under Lot 3: Cloud Support of the G-Cloud 13 Framework for the Customer Service Transformation.

Date: 26th March 2024

Report of: Chief Officer Community Hubs, Welfare & Business Support

Report to: Director of Strategy and Resources

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

Approval to direct award a new contract for the provision of services under Lot 3: Cloud Support of the G-Cloud 13 Framework for the Customer Service Transformation.

As part of the financial challenge, there is a need to reassess and drive forward a "Customer Contact" strategy which looks to drive efficiencies (both organisational and technological) to ensure consistent, joined up and accessible customer services across the whole organisation. KPMG have offerings that they could provide to the Council which would accelerate the pace of delivery and afford a focused approach which currently the organisation does not have the ability to fully protect resources for.

Recommendations

- 1 The Director of Strategy and Resources is recommended to approve the direct award of a new contract to KPMG LLP (KPMG) under Lot 3 (Cloud Support) of the G-Cloud 13 Framework run by Crown Commercial Service, for the provision of specialist transformation resources to support delivery of the customer services change initiatives. The total estimated cost of the contract is £230,000. The contract will commence from the 8th April 2024 to 31st October 2024.

What is this report about?

- 2 The purpose of this report is to set out the reasons for seeking approval to award a new contract under Lot 3 (Cloud Support) of the G-Cloud 13 Framework to KPMG for specialist technical resources in this field.
- 3 The proposal is for the Council to enter a contract with KPMG to help with our goals of increasing efficiency in the organisation, case management, customer service, digital first services, and lowering demand through better use of locality and place resources. The contract will provide advice, services and products related to and informing our vision of transforming

customer experience for the Council. Our focus is on becoming a customer-centric, digital first council that makes the best use of our resources and responds to the demand to drive savings over the next number of years.

- 4 If accepted, the engagement with KPMG will provide specialist resources to identify customer experience and engagement across the organisation, assess our technological capabilities and understand opportunities to rationalise technology that impacts on customer contact. Considering our “levers for change” which are a demand on our services, staff, our estate, income, third party spend and financial instruments (such as contracts), the work with KPMG is proposed to drive strategic and operational development.

What impact will this proposal have?

- 5 The proposal does not impact on members of Council staff in terms of changes to structures or roles. There is an assessment that the proposal will be positive for Council staff in removing workload pressures by working on cross-cutting efficiencies and automations that allow for more consistent and dedicated customer contact experiences.
- 6 The engagement and partnership with KPMG will allow the Council to accelerate the delivery of this work by providing dedicated and specialist resources who will provide an updated customer strategy, a customer blueprint that will future proof the Leeds approach, a business case to support with the transformation which would support any additional funding requirements that need to be made.
- 7 There will be an impact on resources to ensure success which are reliant on senior stakeholder buy-in, short-term, dedicated, and focused stakeholders from across the organisation who have the authority to make decisions and access to data to inform the work which may impact service teams in a short-term but forewarned capacity.
- 8 These outputs should allow for the Council to have a dynamic, resilient, and short-to-mid-term priorities on organisational and technological delivery on delivering better engagement with our customers.
- 9 The wider impact on customers will help to reduce systemic barriers, improve access to information and services in a way that is accessible to them. This is foreseen to lead to a reduction in direct contact with the Council (because the information is clear and concise), reduction in complaints and increased satisfaction levels across the whole organisation.
- 10 The proposal in this report will strengthen the capacity of the Council’s programme delivery team to a level which will enable a more rapid rate of delivery of priority project work. Delays in procuring these resources will cause delays to this major transformation programme that is reliant on creating financial savings.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 11 As part of the proposed Customer Services transformation work taking place within the Council, any improvements driven by this contract would directly help to deliver on the three pillars of the Best City ambition.
- 12 As part of the Customer Contact approach and mentioned through the Best City ambition, we recognise the need for customers to have accessible, easy-to-use and services that empower them to self-serve more widely. This is intended to also help tackle systemic inequalities and that our work would be driven by co-production through the lens of our customers.

- 13 Having more consistent and dynamic customer-led approaches will also ensure that businesses and public institutions are able to engage effectively with the Council, encouraging the Inclusive Growth pillar.
- 14 Ensuring equitable access to essential services, creating cycles of improvement within housing and the ability to model more joined up services within the Council serves to drive the Health and Wellbeing pillar.
- 15 This proposal relates to the provision of new technology, its impact on climate change initiatives is mainly through the support it gives those services using it.

What consultation and engagement has taken place?

Wards affected: n/a

Have ward members been consulted? Yes No

- 16 Consultation has taken place with the Directors of the Council and the Elected Member for Resources to discuss this proposal. We acknowledge the importance of continuing to deliver on our ambitions within Leeds, whilst working within complicated financial constraints with our financial challenge. Yet because of these constraints, we must look to deliver services and work with our customers in a better way.

What are the resource implications?

- 17 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.
- 18 There will be a short-term resource implication to support the delivery of this work with KPMG if it is approved within the Transformation Teams and the Customer Leads, plus Project Management resource, but many of the strategic leads were already engaged with an internal piece of work that was looking at the same approach.

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

- 19 The key risk in engaging KPMG is that the organisation resource may not be able to make the decisions or actions needed to drive change. There is also a risk that proposals or outputs are produced that we are not able to revisit or improve with the specialist resource due to the timescale of the contract.
- 20 Internally, risks are that whilst we might be able to generate positive and innovative directions of travel, organisation and cultural change is difficult to put into practice. It is acknowledged that the organisation is at risk from staff reductions through the financial challenge which also has an impact on staff retention and wellbeing.
- 21 However, without the engagement of a partner organisation like KPMG, the risks of staff impact would remain the same but the likelihood of not retaining staff or staff illness increases because the pace of delivery would be slower without dedicated resource.
- 22 Another risk which is present with or without the agreement to progress, is that the organisation will be engaging on the customer services transformation at the time when there are fluctuations in proposals to address other organisational savings. This is likely to impact on delivery and may provide pressures on the organisation because of unprecedented spikes of engagement, increased pressures faced by customers and resource pressures driven by staff reductions or service changes.

23 These changes are being managed at an organisational, directorate and service level through staff communications, engagement sessions, union involvement and consultations.

What are the legal implications?

24 The decision to award a new 6 month contract to KPMG LLP at a total cost of £230,000 is a Significant Operational Decision and is not subject to call in.

25 Use of a third-party framework is a permitted route in accordance with the Council's Contracts Procedure Rules (CPR) and is therefore, there is no requirement to go out to the wider market with an Invitation to Tender under CPR 12.3.2.

26 The G-Cloud 13 Framework is on the Council's list of approved frameworks to call-off from and by utilising this method, the Council is satisfied in the knowledge that KPMG has gone through a competitive procurement exercise in accordance with the Public Contract Regulations 2015 in order to be awarded a place on the framework.

Options, timescales and measuring success.

What other options were considered?

27 The Council had also considered directly awarding this contract under Regulation 32(2)(b)(ii) of the Public Contract Regulations 2015 – Negotiated Procedure without prior publication of a Contract Notice, to procure these services. However, in doing so there is potential risk of challenge that there are no strong reasons justifying the use of Regulation 32(2)(b)(ii) that competition is absent for technical reasons, and that the Council is simply seeking to circumvent the application of the rules.

How will success be measured?

28 Success will be measured against KPMG's outputs, aligned with the deliverables and goals set out in KPMG's customer strategy proposal. Specifically against delivery of the following products:

- a) **A Customer Strategy** - that will provide the overarching customer vision and strategic direction for Leeds, and what the council need to do to.
- b) **A Customer Blueprint** - that will provide the design for how the council will manage customer contact in the future.
- c) **A Business Case for Customer Transformation** - that will provide a clear, costed plan that everybody understands and is supported by the leadership team.
- d) **Scope for a redesigned service and proof of concept** - that will provide tangible evidence of the benefits of a redesigned and inclusive, digital-first service using Microsoft Dynamics.

29 Success will also be measured against KPMG's methods and delivery approach, including adherence to the timescales, budget, project goals, inclusion, equality and diversity, stakeholder satisfaction and communications, to ensure quality of delivery throughout the lifecycle of this project.

What is the timetable and who will be responsible for implementation?

30 The new contract will be awarded as soon as is practicable and allowable after approval by Director of Strategy and Resources.

Appendices

- None

Background papers

- None